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INTERNATIONAL AFFAIRS

RESHAPING OLD INTERNATIONAL ECONOMIC ORDER URGED

Beijing RENMIN RIBAO in Chinese 21 Oct 81 p 7

[Article by Li Jingwei [2621 2529 5898]: "The Old International Economic Order Must Be Changed"]

[Text] The North-South summit conference on cooperation and development, to be held in Cancun, Mexico, will discuss such economic problems as food, energy, currency, and trade development. All these problems are related to the need to reform the existing unsound international economic order.

With a view to breaking up the old international economic order and to reforming the production, trade, currency and monetary system of the capitalist world, the 77-nation bloc of developing countries, meeting at the first trade development conference held at the United Nations in 1964, spoke for the vast number of Third World nations in putting forward for the first time the demand to set up a new international economic order. Thanks to the continuing and serious efforts made in waging the struggle, the demands and aspirations of the Third World nations have gradually gained the serious attention of the world. At the sixth special conference at the United Nations in 1974, a declaration and an outline for action for the establishment of a new international economic order were finally adopted, and a step forward was taken in the struggle waged by Third World nations to free themselves from exploitation and enslavement.

During the past few years, however, talks on the establishment of a new international economic order have been stalled and resisted by the developed nations, with the result that the entire North-South dialogue and global conference were brought to a halt.

The proposal to establish a new international economic order did not come about by chance. On the contrary, it has a deep historical background and deep economic causes.

Although a large number of Asian, African, and Latin American countries achieved their political independence following World War II, colonialism and imperialism continued to control in various degrees the economic destiny of these countries. There was no basic change in the old international economic system, and such exploitative practices as the inequitable exchange of commodities continued to

exist. The industrialized nations continued to monopolize the mineral production, international trade, and financial and monetary matters of many of the Third World nations. According to statistics, the outflow of capital from the Third World nations to the Western industrialized nations after World War II increased from an annual average of U.S. \$50 billion in the 1950's to an annual average of U.S. \$110 billion in the 1960's. Some industrialized nations, through corporations set up in other countries, exercised substantial control over the petroleum production and mineral resources of such major oil-producing countries as Saudi Arabia and Kuwait. In the early 1970's, the outflow of capital increased to an annual U.S. \$200 billion. Through such corporations, the industrialized nations reaped huge amounts of excessive profits and continued to make strenuous efforts to maintain the single-product economic system in Third World nations. This economic system continues to plague many Asian, African, and Latin American countries. Thus, in international trade, the industrialized nations are able to monopolize the selling of industrial products to Third World nations at high prices, and the buying of agricultural and mineral products from Third World nations at low prices. By resorting to such inequitable methods for the exchange of commodities, the industrialized nations are able to exploit the Third World nations. Thus the economic system remains largely under the economic control of capitalist nations. In the event of an economic crisis in the capitalist countries, the Third World nations often are made to suffer the consequences.

In the monetary and financial area, the Third World nations are even more under the domination of the industrialized nations. The financial organizations established by the industrialized nations in Third World countries exert a direct control over the financial, monetary, and economic life of the Third World nations.

Large numbers of Third World nations have come to realize that the old international economic system is a shackle around their necks and the cause of their long-term impoverishment and backwardness. For this reason, they have made repeated demands to replace the old international economic system with a new international economic order.

By the old international economic order is meant the capitalist international trade system and the international monetary and financial system based on the international capitalist production and monopoly system, which in turn is based on the unsound system of the division of labor among nations. It is the economic system practiced by the international monopolistic capitalists to monopolize and exploit the large number of poor and backward Third World nations. The new international economic order is a complete reversal of the old. Its main features are as follows:

1. The breaking up of international monopolistic practices, the reform of the old international trade terms, and the establishment of an equitable and reasonable trade system. The Third World nations have put forth the demand, through the setting up of common funds and various international commodity agreements, to establish new trade terms, to stabilize and increase their earnings, and to establish an equitable and reasonable price system between the export of primary products and the import of finished products.

2. The reform of the old international monetary system, the effort to acquire a larger share of development funds, and the demand that the industrialized nations should, in compliance with the provisions of the U.N. plan for development in the second decade, contribute governmental development assistance amounting to 0.7 percent of the value of their gross national product to Third World nations. The demand has also been made that industrialized nations should reduce the debt obligations of Third World nations.

3. Reform of the international economic system [should be implemented so as] to promote the balanced economic development of all countries in the world. The existing international economic system is inimical to the needs of a vast number of Third World nations and to the economic development of the world. Efforts should be made, through reform of the international economic system, to improve the position of Third World nations in world production and trade, and to strengthen their potential for development of their national economies and their economic resources in opposition to the international monopolistic system. The Third World nations have put forth the demand that by the year 2000, their industrial production should reach 25 percent of that of the world, and exports of their finished products should reach 30 percent of the world's total.

4. To reform the old monetary and financial system, the Third World nations have put forward the demand that they should be given equal rights as members of the international community in participating in the making of decisions relating to the economic, financial, and monetary problems of the world, that they should be given a larger voice in decisions made by international monetary and financial organizations, and that they should be granted larger loans.

Large numbers of Third World nations have waged a long, relentless struggle to bring about a reform of the old international economic system. Since 1974, the Third World nations have made some gains in a series of dialogues with the industrialized nations regarding the establishment of a new international economic order. The system of universal tariff rates for favored nations has been accepted by the industrialized nations, and preliminary agreement has been reached on such subjects as consolidated program for commercial commodities and common funds. Some Third World nations have signed the Lome Agreement with the European Common Market countries on economic and trade problems. In order to implement the principles of sovereignty and equality of economic rights among the nations, the Third World nations have proposed the drafting of a "Code of Action for Foreign Affiliates," which will have the effect of curbing the unlawful activities engaged in by foreign affiliates and of protecting the national interests of Third World nations. The Third World nations have also made some progress in bringing about a reform of the inequitable international monetary system and in gaining larger amounts of development funds.

However, the efforts to establish a new international economic order have come to a standstill in recent years. Since reform of the old international economic system directly affects the interests of the industrialized nations, talks on the subject have met with obstruction and opposition on the part of those countries. The proposal by Third World nations to index the prices of raw materials has been unceremoniously turned down by the industrialized nations. The

United Nations' strategy for development in the second decade, which calls for the industrialized nations to set aside 0.7 percent of the value of their annual gross national product in order to aid the development of Third World countries on a government-to-government basis, has yet to be implemented. The worst culprit is the Soviet Union, which has contributed less than 0.03 percent of the value of its gross national product. Taking advantage of the stalemate between North and South in recent years, the Soviet Union has been playing the trick of seemingly supporting the proposal of the Third World nations to establish a new international economic order, while actually sabotaging it. Furthermore, because of the wide differences in conditions and the different stages of development of Third World nations, and because of the varying degrees of influence which Soviet acts of sabotage and international capitalistic monopolistic practices have on them, their degree of understanding of the need to establish a new international economic order also varies. For this reason, there is naturally a divergence of views as to the strategy, objectives, and methods to be adopted in order to establish a new international economic order. This has afforded the industrialized nations the opportunity to exploit the situation.

All these reasons serve to indicate the long-term and complicated nature of the struggle to bring about a new international economic order.

Nevertheless, regardless of the difficulties and obstacles, the demand of the Third World nations for a reform of the old international economic order and the establishment of a new and equitable international economic order is in keeping with the historical tide.

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'GUOJI WNTI YANJIU' REVIEWS RECENT HISTORY OF PROBLEMS IN SOVIET ECONOMY

Tianjin GUOJI WENTI YANJIU [STUDIES IN INTERNATIONAL PROBLEMS] in Chinese No 2, Oct 81 pp 35-43, 48

[Article by Lu Nanchuan [7120 0589 3123] and Zhou Rongkun [0719 2837 0981]: "Major Problems Presently Faced by the Soviet Economy"]

[Text] The entire period of the 1970's, as far as the Soviet economy was concerned, was a decade of increasing economic growth rate. It was a decade of adjustments in the economic policy, as well as a decade of new and old difficulties and contradictions persisting in a blended mixture, with the adjustments far from achieving their anticipated effects. In short, the Soviet economy is at present experiencing a major turning point.

In the last 10 years, the overall economic strength of the Soviet Union has been continuously on the increase. Comparing 1980 with 1970, the gross social product increased by 67 percent; the gross industrial output value alone grew by 78 percent. The national income used in consumption and accumulations increased by 55 percent. Industrial production in over 20 items, such as petroleum, steel, chemical fertilizer, cement, cotton textiles, etc., exceeded the production of the United States and jumped to top position in the world. Since the development of the Soviet economy (mainly during the years from 1971 to 1975) was relatively rapid, the distance by which it lags behind American economic strength was being reduced. Based on Soviet statistical data, the national income in 1970 was only 65 percent of the American national income, but by 1980 it had risen to 67 percent. The gross national industrial output rose proportionately from 75 percent to 80 percent.

However, it is noteworthy that the Soviet economy in the 1970's displayed a very conspicuous downward trend in the speed of its development and has entered into a phase of changing from a fairly rapid development into a phase of fairly slow speed of economic development. In the 1950's the Soviet national income maintained an average growth rate of over 10 percent. In the 1960's, especially in the later years of the 1960's, the growth rate got worse with every new five-year plan; from the 7.1 percent against a planned 8.5 percent in the 1966-1970 Plan, to 3.9 percent against a planned 10.5 percent in the 1976-1980 Plan, in which 1979 alone showed a mere 2 percent growth, which is quite unique in the Soviet Union during peacetime. Compared with the developed industrial countries of the West, the economic growth rate of the Soviet Union is still better than that of the major countries except Japan, but its preponderance has been much weakened. From 1951 to 1960, the Soviet national income grew by 165 percent. This was 4 times that of the United States (33 percent), 0.4

times that of West Germany (117 percent) and also larger than that of Japan (153 percent), but in 1971-1979, the growth rate of the Soviet national income (57 percent) was only 0.7 times that of the United States (33 percent), only 0.96 times that of West Germany (29 percent) and below the 61 percent of Japan.

In the 1970's the Soviet economy changed from extensive to intensive methods. During this period, the Soviet authorities envisaged an overall improvement in the efficiency and quality of its national economy in order to speed up economic modernization and to further narrow the gap with the United States in economic technology, but its efforts had very little effect. All data prove clearly that the macroeconomics showed no improvements in any way. For instance, in the gross national product during the period 1970-1979, the speed of consumption of manufactured products increased faster than the national income. A trend therefore appeared that the proportion of consumption of manufactured products rose constantly while the proportion of the national income declined constantly, the former rose from 54.9 to 57.4 percent and the latter declined from 45.1 percent to 42.6 percent.

It must also be stressed that in the last 5 years the gap in economic strength between the Soviet Union and the United States has not further narrowed. By 1980, the Soviet national income and the value of its industrial output, compared with these indices of the United States, remained at the 67 percent and 80 percent, respectively, achieved in 1975.

In the 1970's, especially in the latter part of the 1970's, the economic development of the Soviet Union slackened. The reasons for this are not only policy miscalculations by the authorities, but also the further aggravation of long-standing contradictions and difficulties in the economy which have accumulated over the years. The following are the major problems that the Soviet economy is now facing:

1. More Limits for the Extensive Factors, Ineffectiveness of Intensive Factors to Raise Productivity

Throughout the history of Soviet economic development, reliance was mainly placed on extensive operations to ensure the expansion of reproduction and a speedy economic growth, that is, through increasing the labor force on a large scale, building up new production capacities and opening up resources that showed favorable conditions for exploitation, all to ensure continued economic growth. However, toward the end of the 1960's, and especially at the beginning of the 1970's, these conditions for the development of the economy by extensive methods deteriorated increasingly and became more and more restricted.

As to the resource constituted by the labor force, with the continuous decline of the birthrate since the 1960's, the number of young persons entering the labor force gradually decreased, so that manpower shortages became an increasingly serious problem. In the 1960's, the average annual increase in the number of employees and workers was 2.8 million, in the 1970's 2.2 million, but in the 1980's this average dropped to only 650,000, which is not even enough to replace the retiring employees and workers (in the Tenth Five-Year Plan period the number of retirees was 860,000). At present, manpower shortages occur in many enterprises, which leads to an underutilization of equipment. Even though the Soviets adopted measures in recent years to solve the manpower shortage by speeding up mechanization in replacement of

manual operations, improving labor organization, mobilizing retirees to participate in labor, etc., all these measures did not show conspicuous results. Another major reason for the manpower shortage in the Soviet Union is the serious wastage of labor. According to data revealed in the Soviet press, 15-20 percent of the labor force in industrial enterprises is not fully utilized. If work stoppage could be eliminated, one-eighth of the employees and workers could be moved elsewhere. Besides, there is a great imbalance in the distribution of the labor force; there are surpluses in some areas, while a serious manpower shortage is experienced in the newly developed eastern regions of the country. In addition, great losses are incurred by the large-scale movements within the labor force (about 20 million people every year). All these problems cannot be solved in a short period of time.

As to the increase in investments for capital construction and the construction of new production capacities, the continuous decline in the growth rate of the national income also very much restricted the possibilities of increasing large-scale investments for the expansion of reproduction capacities. In the 1950's, the Soviet Union used 13.5 percent as average annual growth rate of its investments in capital construction in the various departments of the national economy. This figure declined to 8.3 percent in the 1971-1975 period and further declined to 5.8 percent in the 1976-1980 period. In 1980 alone the increase was only 2 percent. In the period of the Eleventh Plan, the Soviet Union planned for a 12-15 percent increase in investments for capital construction, that is an average annual increase of 2.3-2.8 percent. Looking again at the absolute increase in investments, the Eleventh Plan showed an increase of 77-95.9 billion rubles over the Tenth Plan. Comparing the Ninth Plan with the Tenth Plan, there is an increase of 140 billion rubles of investments over the preceding plan. These conditions reflect the unhealthy economic conditions of the Soviet Union, the unwillingness to reduce the heavy burden of armament expenditure, the increasing weight of foreign economic burdens and the serious difficulty of obtaining Western capital and technology.

As to the resources of the country, the Soviet Union was originally in a very advantageous situation. It had a great variety of resources, large deposits which it exploited on a large scale, maintaining self-sufficiency in most respects. However, as from the 1970's, the situation changed for the worse with regard to the Soviet Union's deposits, exploitation, transportation and the supply situation. First, due to the drying up of easily exploitable resources in the European districts, the places of exploitation continuously moved further eastward and northward, where the exploitation and transportation conditions sharply worsened, abundant mines became fewer and fewer, and as a consequence the costs of exploitation greatly increased. Comparing the 1970's with the 1960's, the costs of exploiting fuel and raw materials in the whole Soviet Union doubled. At present, this unfavorable trend is still accelerating. Second, with the expansion of the scope of social production, the demand for various resources from within the country has greatly increased, but the exploitation of many of these resources has gradually declined. For instance, in the case of petroleum the average annual increase according to the Ninth Plan was 27.55 million tons, according to the Tenth Plan 22.40 million tons, and in the Eleventh Plan it sharply dropped to 4-8 million tons. In coal output there has been an absolute decline over the last 2 years.

The above-mentioned conditions reveal that the extensive factors which were to ensure the growth of the Soviet economy, have greatly weakened in their effectiveness. The Soviet authorities must therefore look for other ways out, change the path of economic development, adopt a policy of intensive operations instead of the past

extensive operations and implement this new policy as the "key in economic strategy."

Since the policy of intensive operations was instituted as from the 1970's, there have indeed been some successes, quality and efficiency has gone up and certain progress has been made in the mechanization and automation of industrial production, but by and large progress in changing the entire economy to intensive operations has been very slow and poor in its effectiveness. Brezhnev acknowledged: "Improvements in productivity and quality of production have not progressed to the standards set in the plan," and the difficulties of the transition to intensive operations are "one of the major reasons for many areas of the Tenth Plan remaining unfulfilled and for the shortcomings and weaknesses in the national economy." Reviewing the overall economic development of the economy in the 1970's, we see a declining trend reflected in some major indices of the degree of intensification.

First, the rate of labor productivity is gradually declining. The annual average increase in productivity during the period of the Ninth Plan was 4.4 percent and dropped to 3.2 percent in the period of the Tenth Plan. In his report to the 26th National Congress of the CPSU, Tikhonov stated that the shortcomings and difficulties during the period of the Tenth Plan were "in the first place an indication of the failure to solve the task of improving labor productivity to the predetermined level."

Secondly, for a long time the quality of the products has not been improved. The task of improving quality, as prescribed by the Tenth Plan, could not be fulfilled in many economic units. Up to October 1980, only 15.4 percent of the products of all industrial units received the mark of excellence, and in the manufacture of specimens of new technology machinery every year, over half of the production does not fulfil the requirements of high quality.

Besides, scientific and technological development is slow. Although the Soviets adopted systematic measures in the 1970's to speed up scientific and technological development, no great progress was achieved due to the obstacles that must be mainly ascribed to the system of economic management. In recent years only 50-70 percent of all plans for the development and adoption of new technologies were carried out. There was practically no reduction in time required by scientific research during the period of the Tenth Plan. It required 7 to 8 years, sometimes even 10 years, from the research production of a new technology to its mass production. Over a lengthy period of time on the average only one quarter of all scientific inventions are being utilized. Of the foreign inventions for which the Soviet Union acquired patent rights, 40 percent are still not yet being utilized in the Soviet Union. The capability to absorb imported new technologies and new processes is also very deficient, and frequently these imports cannot be used to their full effectiveness. In his report to the 26th National Congress of the CPSU, Brezhnev acknowledged: "The effective application of research results of good prospects constantly meets up with intolerable delays."

In the 1980's the Soviet economy enters "a period of its development when its growth is ensured by reliance on a rise in labor productivity." The actual effectiveness of intensification will decide the depth and breadth of Soviet economic development. Even if the Soviet Union intends in its 11th 5-Year Plan to inject larger doses of economic stimulants into scientific and technological development and intends to use all kinds of new technologies and new processes, these measures will merely extend and patch up the old ways of doing things without eliminating the inherent roots of what is obstructing scientific and technological development. It can therefore be

predicted that the newly advocated policy of intensification will meet up with the practice of assigning backward technologies to all civilian usages, allotting advanced technologies primarily for military purposes, an ossified and conservative managerial system, checkpoints one after the other, basic enterprises lacking the internal motivation for reform and other such factors that will pin down efforts so that the effects of the new policy will be limited. According to the assessment of the Soviet academician a-gan-bie-ji-yang [phonetic], if the effectiveness of the intensive factors in the economic development is not raised very soon, the annual growth rate of the Soviet economy could drop down to 3 percent, or even below 3 percent.

2. Capital Construction on Too Large a Scale; Investment Efficiency Difficult to Raise

Large investments and low efficiency existing side by side are a major peculiarity of the Soviet capital construction. In the last 10 years, the Soviet investments in capital construction took up one half of the national budget expenditure and one-third of the national income. It played an important role in the development of the national economy, but also accumulated a heap of problems:

- 1) Going in for grandiose projects and striving for quick results, which led to an unduly extended capital construction front and a scattered dispersion of investment funds.

The Soviets have all along onesidedly pursued speedy ways of doing things. This was inevitably brought about high investments without regard for the objective conditions. Ten years ago, at the 24 th National Congress of the CPSU, Brezhnev stated: "In working out plans, no consideration was frequently given to the realistic capabilities. The scale of capital construction projects and their number were determined excessively large and numerous. As a consequence, capital funds were dispersed, unfinished engineering projects increased and resources lay idle." Today, 10 years later, we still cannot see any improvement in these problems.

At present there is a great imbalance between the capital construction tasks and the capabilities of the units in charge of carrying out the constructions. For instance, over 32,000 projects are being carried out by the various construction units of the Soviet Ministry of Construction. According to the present number of construction workers available in the said ministry, each construction projects can on the average have not even 12 men working on it.

Moreover, the scale of the present capital construction is not fitted to the presently available financial and material capacities of the country. Due to the repeated delays to the completion of capital construction projects, a large number of them cannot start up production on schedule. The actual costs of these engineering projects vastly exceed budgeted costs, and as a result funds become extremely tight. Many engineering projects had to be stopped because the needed funds were not forthcoming in time. According to the calculations of Chairman Ji-li-qin-ke [phonetic] of the Economics and Science Research Institute of the State Planning Committee, the funds required by the work projects specified in the plan exceed by 80-100 percent the amounts that can possibly be made available. At the same time, there is no certainty for a large number of engineering projects now in the process of construction that material will be available for their completion, due to the fact that increases

the production of construction materials lags far behind the increases in capital construction investments. For instance, in the organizations of the Soviet Ministry of Industrial Construction, only 10 percent of the construction teams can receive uninterrupted supplies of material. The Soviet Minister of Construction cannot but acknowledge that in Soviet capital construction "an ever increasing number of new projects are instituted for which there is no guarantee that manpower, material and financial means will be available.

2) Standards for Capital Construction Plans are Low and Alterations Frequent

The Soviet capital construction planning is at present in a state of constant alterations. The Soviets admit themselves that the system of annual checks before 15 February of already approved capital construction plans is in actual fact a revision of plans. According to statistics, 75-90 percent of all original plans for engineering projects are revised as a result of these checks.

Even more serious is the fact that in allocating investments or materials to this or that place, the Soviets do not base their decision on objective requirements, but merely on whether that place has sufficient capacity to carry out the work. This often results in the following condition: on the one hand the production capacity of an older enterprise is not fully utilized and the number of shifts worked is low, while on the other hand there is a serious wastage at a new construction of a similar enterprise.

A natural shortcoming of capital construction planning manifests itself in the fact that after completion of the project, a shortage of raw materials or other reasons prevent it from starting production. Data from Soviet investigations show that one half of all enterprises cannot gain their production capacity on schedule because of a lack of raw materials, electric power, water or other material resources.

3) Serious Departmental Rivalry in Contending for Investments and Projects

In the Soviet Union funds for investments for capital constructions have always predominantly come from the gratis allocations in the budget. Since the organization issuing the contract has no direct economic interests in the organization accepting the contract, it bears also no material responsibilities. As a consequence of this, every area, every department and every enterprise and industrial unit will ask with all powers at its disposal for more investments and more projects. Without any guarantee of sufficient funds, equipment or material, they would rush to start work and present a fait accompli. Reports in the Soviet press reveal that 40 percent of all projects in the Soviet Union are built without prior working plan.

In order to rake in investments and projects, some planning and construction units will purposely hold down the costs of the engineering project when drawing up their proposals so as to have them more easily passed by the planning and financial authorities. Once the project is accepted into the plan, they will step by step ask the state for supplemental funds. This aggravates the shortage of funds in the treasury.

4) Policy of Investing for Intensification Difficult to Implement

Following the 1960's, the Soviet Union has emphasized that it will change its investment policy, namely to shift the focus of its investments to technological

reequipment and renovation of presently operating enterprises, thus having capital constructions of short duration and early effectiveness, in order to meet the demand for an intensification of operations throughout the entire national economy. However, the share in Soviet investments in capital construction actually used on reequipment and renovation of present enterprises was only 20.2 percent during the period of the Ninth Plan and 23.6 percent during the period of the Tenth Plan.

The unwillingness of enterprises to undergo reequipment or renovations is a consequence of the Soviet planning system. The planning system now in force in actual fact only demands that enterprises make greatest efforts to fulfil the plan for the year in question, and this is then taken as basis for the assessment of the work of the enterprise and for granting it bonuses or imposing penalties. Enterprises are therefore afraid that technological reequipment or renovation will stop operation of some workshops and thus adversely affect the completion of that year's plan norms, thus also reducing income and bonuses, afraid that after remodelling, the new technologies will not immediately be mastered and effectively start producing, afraid that after technological reequipment the norms will be raised, etc., etc. Under these circumstances, enterprises rather go in for new constructions and expansion projects.

5) Large Increase in Unfinished Engineering Projects

In the last 15 years, the number of unfinished engineering projects in the Soviet Union shot up steeply at a continuous high speed. In 1965 the amount involved was 29.6 billion rubles, which went up to 118 billion rubles in 1980. In 15 years it increased altogether three-fold, much higher than the 1.38 times increase in the total amount of capital construction investments during the same period. The proportion of unfinished engineering projects in the amount of capital construction investments during these years also increased accordingly. It was 69 percent in 1965 and 89 percent in 1980 (the plan index was 65 percent). Deputy Chairman Ka-qia-luo-fu [phonetic] of the Soviet State Committee for Construction expressed the opinion that at present the unfinished projects in excess of the determined standards has already grown to a stage where they are "out of control."

6) Decline of Investment Efficiency

The decline in investment efficiency is the concentrated reflection of all the various problems in capital construction. The comprehensive index reflecting investment efficiency is the increase in national income per each ruble of investment. This index declined 50 percent comparing the periods of the Ninth Plan with that of the Eighth Plan, and again declined 37 percent comparing 1980 with 1976. Due to the decline in investment efficiency, it takes more investment expenditure to produce the same national income.

According to the calculations by the Soviet Academician Ha-qia-tu-luo-fu [phonetic], increasing the national income by 1 ruble required the investment of 1.81 ruble in the years 1951-1955 and 6 rubles in the years 1976-1977.

3. Many Difficulties in Agricultural Production, Grain Situation Far From Being Out of the Woods

As to the basic conditions for the development of agricultural production in the Soviet Union, apart from climatic factors, all other conditions are not at all

unfavorable. At present, the Soviet Union has at its disposal the largest area under cultivation and the largest area sown to grain in the whole world. Its heads of cattle are approximately the same as in the United States. Its manpower employed in agriculture is probably more than that in the Western countries with developed agriculture. The material technological basis of its agriculture is also very considerable. It has furthermore the world's largest production of chemical fertilizer, tractors and grain harvesters and the world's largest investment in agriculture. However, all this did not enable the Soviet agriculture to extricate itself from the following basic situation: its ability to fight natural calamities in agriculture is deficient, basically it still depends on Heaven for its food and every other year there is a crop failure (at times even of catastrophic nature). Crop productivity and labor productivity are very low. The food grain production is not yet out of its difficulties. There is a serious shortage of feed grain. Animal husbandry is for a long time in a backward condition. Many agricultural products are by far not sufficient to meet actual demand. A country known as a "developed socialist state" is in the end a country--rare in the world--that completely depends on imports of grain, meat and other agricultural by-products. The backward agriculture still remains a strategic weakness of the national economy of the Soviet Union. This not only imposes a passive situation on the Soviet authorities in economic, political and foreign policy aspects, inflicts hardships on the people's livelihood but also holds up on a considerable scale the solution of a whole series of social and economic tasks and impedes the development of the entire economy.

Looking back at the development of the Soviet agriculture during the 1970's, although production of various agricultural and animal products could be raised to varying degrees, by a comparison of economic development and the needs of the people's livelihood, and the funds invested by the Soviet Union in agriculture, it is not difficult to realize the low efficiency of its agriculture and the seriousness of its agricultural problems. The Soviet Union has not received a due return for its large investment of manpower, material and financial resources in its agriculture. In the period 1971-1980, the Soviet Union invested over 300 billion rubles in agriculture, which is 1.3 times more than in the preceding 10 years (129 billion rubles). At the same time there have been large increases in the supply to agriculture of chemical fertilizer, tractors, trucks, etc., but the gross value of agricultural production in the last 10 years rose by only 12 percent. Looking at the rate of the average annual increase in the value of agricultural production over 5 years, we see clearly a downward trend, namely from 21 percent in the Eighth Plan period to 13 percent in the Ninth Plan period, to 9 percent in the Tenth Plan period. This rapid decline in agricultural production is a major reason for the continued reduction in the growth rate of the entire economy during the 1970's. The food grain production in almost every year cannot fulfill the plan norms. During the years 1971-1980, there occurred reduced production (compared with the preceding year) altogether 6 times. Especially in the last 2 years there were continuous bad harvests which set back production of many agricultural and animal husbandry products by many years. The continued slump in agricultural production forced the Soviet authorities to spend huge amounts of foreign exchange, as they depended on the importation of large quantities of grain, meat and other agricultural by-products to solve the domestic shortages. According to statistics, the Soviet Union bought from abroad during the 1970's, 140 million tons of grain (110 million tons more than during the 1960's), spending as much as 12 billion rubles. In the first year of the 1980's, they established a new record of grain purchases by importing 31 million tons. Imports of meat and meat products during the 1970's reached 3.456 million tons,

2.44 million tons more than during the 1960's. In 1980, these imports amounted to 820,000 tons.

The backwardness and low efficiency of Soviet agriculture becomes even more spectacular if compared with the United States. The Soviet area sown to grain is about double that of the United States, while its agricultural manpower 7 times more than that of the United States, while its investment in agriculture is 4 times that of the United States. However, in the period 1976-1980, the average value of Soviet agricultural production was only 85 percent of that of the United States and the average annual grain production only 75 percent of that of the United States. Moreover, these two items were both lower than during the Eighth Plan period, when the figures were 85-90 percent and 85 percent of the American production. The number of cattle in both countries are approximately the same, but the production of meat in the Soviet Union was only 56 percent of the American production. The average annual labor productivity in agriculture during the period 1976-1980 was only 20-25 percent of that in the United States. No wonder that the Western press commented, "the low efficiency in Soviet agricultural production is astonishing," and that the low efficiency is in Soviet agriculture like "an evil spirit that cannot be driven away."

To overcome the backward state of its agriculture, the Soviet Union in its Eleventh Plan set forth various measures and increased production norms to further develop its agriculture. Among these measures, apart from continuing to carry out traditional policies and maintaining a high proportion of investments in agriculture, allocating various technological equipment to modernize agriculture, allocating various technological equipment to modernize agriculture and strengthening specialization and centralization of agriculture, they also added some new measures: For instance, they drew up and enforced an "Outline for Special Foodstuff Items," in order to integrate more closely the development of agriculture with the development in the departments in charge of storage, transportation, processing and marketing of agricultural products. They improved the procurement system for agricultural products, mapping out a 5-year plan for unified procurement of agricultural products from villages and farms divided into yearly quotas and instituted a 50 percent ad valorem bonus for supplies sold to the state above the average quantity of the preceding 5-year plan. They also relaxed restrictive policies and fostered private sideline production. As to norms for increased production, these were generally fixed higher than the growth rate actually achieved in the preceding 5-year plan. This shows that the Eleventh Plan is still a plan with high norms. Even Tikhonov could not but admit in his report to the 26th National Congress of the CPSU that at this time "the task of increasing agricultural production is an extremely pressing one." Judging from the fact that in the past the capabilities of fulfilling the plans always lagged behind the actual conditions specified in the plans, and in view of the various difficulties faced by today's agriculture, future 5-year plans, regardless of measures taken and regardless of the quantitative norms set forth, will not be completely fulfilled. To attain a stabilized situation of producing 1 ton of grain per person, will be an objective that cannot be accomplished in the 1980's (This is a standard the Soviet Union has set to overcome its difficulties. In 1980 the average grain production per person was 710 kilo).

4. The Impetus of Military Expansion is Accelerating, the Burden of Armaments is Growing Heavier

In the last 10 years, the Soviet Union is vying to expand its hegemonic powers and to gain military preparedness into a prominent and important position. It has not

spared huge amounts of funds, allotted its best raw material and equipment, its highest qualified scientific and technical staff and best trained working force to the development of military scientific research and armament production in order to build up a huge war machine.

According to Western estimates, the actual military expenditure of the Soviet Union amounted to only 40 percent of that of the United States in 1964. In 1971 it caught up with America and from then on always above that of the United States. Throughout the 1970's, Soviet military expenditure was 40 percent above that of the United States, in 1980 about 50 percent higher, reaching U.S. \$175 billion. The growth of military expenditure was maintained for a long time at the level of 3-5 percent per year. The share of military expenditure in the Soviet GNP was 7 percent in 1965; now it is 12-14 percent, more than double of that in the United States. Since the military expenditures of the Soviet Union contain low personnel expenditure (only about 20 percent against over 50 percent in America) and costs of products of the war industry are below actual costs, the actual expenditure of the Soviet Union on the acquisition of arms is even much higher still as compared with America. According to data published by the United States this June, the Soviet Union spent since the end of the 1960's more than double on conventional weapons and more than three times on tactical weapons as compared with American expenditure.

The Soviet Union has all along placed heavy industry, especially war industry, into a position of preferential development. According to reports, the Soviets use one-fifth of their industrial production, one-third of the products of the machine manufacturing industry, one-fifth of the products of the metallurgical industry, one-sixth of the products of the chemical industry and energy resources and the greater part of the integrated circuits of its electronic industry all for military purposes. The proportions by which Soviet production leads that of the United States are: tanks 5:1, armoured troop carriers 4:1, submarines 4:1. This huge capacity of the Soviet war industry enables it not only to maintain arms superiority for a long time, but also to become one of the most important arms dealers in the world.

To spare no efforts in developing military technology has all along been the main direction of attack of Soviet scientific and technological work. High efficiency in military science and the priority use of new scientific research results for military purposes is a fundamental peculiarity of Soviet scientific and technological development. In order to catch up and surpass the superior military technology of the United States and to speedily modernize its war machine, the Soviet Union for many years allotted even larger scientific and technological forces and scientific research funds than America for extensive studies and tests comprising conventional weapons, atomic weapons and for the control of outer space. It is estimated that the Soviet Union has over 600,000 engineers and scientists working on research in military science, while America has only over 500,000. Soviet expenditure on scientific research is now already exceeding 20 billion rubles, taking up about 5 percent of the national income and about 3 percent above that of the United States. In the total scientific research expenditure of the Soviet Union, 80 percent is for military purposes. Up to 1979, the Soviet expenditure on research in military science has already surpassed that of the United States for 8 years, in which period its expenditure exceeded that of the United States by U.S. \$70 billion.

Recently, all indications are that the Soviet Union is determined to continue speeding up its military expansion and war preparations and to do all it can to prevail over its competitors. When Brezhnev met the chairman of the Swedish Social Democratic Party on 12 June this year, he attacked the Western countries for speeding up the arms race, declaring: "We shall not allow anybody to harm our lawful right to security and will not allow anybody to destroy the military tactical balance that has already been established in the world. The Soviet Union can certainly respond speedily and effectively to any provocation against us." We see from this speech that the Soviet Union will definitely not slow down its pace in the arms race. According to Western estimates, Soviet military expenditure will continue to increase, at least till 1985, and it is possible that the proportion of military expenditure in the GNP will go up to 15 percent.

Everybody knows that the Soviets are paying a very heavy price, with regard to the longterm development of their economy and the raising of the livelihood of their people, for their military expansion and war preparations. In recent years the growth rate of the Soviet economy declined sharply. A large array of various contradictions cropped up. No progress was made in efforts to narrow the economic gap with the United States. One of the major reasons for this is precisely the pernicious inflation of the Soviet arsenal of weapons, which consumes excessive amounts of manpower, material and financial resources and destroys the expansion of the reproduction process. If the Soviet Union with only two-thirds of the economic strength of America, spends each year several hundred billion dollars more than America for military purposes, it obviously exceeds what the Soviet national economy can ordinarily bear. The Soviet authorities cannot help acknowledging that "military expenditure is a very heavy burden." According to the estimate by certain Western scholars, if the Soviet Union would decide to reduce its defense budget by 25 percent, its GNP and consumption growth rate could almost be doubled. Although the Soviet Union's continued intensified military expansion can to a certain extent stimulate the development of the war industry and related branches of the heavy industry, it will undoubtedly further aggravate its ruinous effects on the economy as a whole.

5. Economic Structure is Seriously Lopsided, Adjustments of Proportionate Developments Hardly Effective

The constant imbalance of proportions and lopsided economic structures are big persistent ailments of Soviet economy. In recent years the Soviet authorities have repeatedly emphasized that drawing up the economic plan must be done on "an ample scientific foundation," must select "the most perfect proportions," must provide the entire national economy with a "steady" development on the basis of "balance, harmony and coordination," and must also attempt to effect adjustments with regard to relations between heavy and light industry, disposition of production forces and departmental structures, etc., in order to rectify any imbalances in the economy. However, since the strategy of Soviet economic development has its eyes first of all fixed on expanding its strength for the struggle for hegemony, the arrangements in the economic plans firmly uphold the traditional policy of priority development for heavy industry and especially for the war industry, with the result that viewed from a macroscopic economic angle, Soviet adjustments as they come and go, do not at all change the overall situation in its economic structure into something more reasonable, but in quite a number of cases change it into even more lopsided forms. The structure of departments and districts all creast some new contradictions, imbalances in

proportions and develop in a vicious circle. Reviewing the changes of the last 10-odd years, the special and fundamental characteristic of the Soviet economic structure is still that it is too heavily emphasizing heavy industry, taking light industry too light and leaving agriculture too weak. The negative results that this creates are becoming even more evident.

As to the proportionate relationship between light and heavy industry, Brezhnev, soon after coming to power, once evened out the growth rate of the two branches of industry, A and B. In the Ninth Plan and the Tenth Plan, the growth rate of the two branches of industry, A and B, again drew apart, namely to a 1.04 to 1 ratio in the period 1966-1970 and to a 1.28 to 1 ratio in the 1971-1980 period, quite a big difference to the 1.2 to 1 ratio in the 1951-1960 and the 1.18 to 1 ratio of the 1961-1970 period. In the recent 10-odd years, the proportion of heavy industry investment in the overall national economy gradually went up, from the 29.9 percent of the Eighth Plan to the 30.2 percent of the Ninth Plan and the 31 percent of the Tenth Plan (only 4 years). The proportion of investment for light industry declined correspondingly from 5.3 percent to 4.8 percent and 4.3 percent. In 1979 the shares of light and heavy industry in the total investments of the national economy were 4.1 percent and 31.2 percent, respectively. There was also frequently no guarantee that the investment funds for the light industry would be forthcoming. The ratio in the value of production from the two industries, A and B, has not seen any improvement during the last 10 years. It was 73.4 percent to 26.6 percent in 1970 and 74 percent to 26 percent in 1979. This is more or less the same ratio as in the last year of World War II (1945, when it was 74.9 percent to 25.1 percent).

The Soviet Union paid for its longterm preferential development of heavy industry by sacrificing its consumer goods industry. For many years, the consumer goods industry advanced very slowly. There were shortages in the market, people could pay but were unable to satisfy their needs, these were the natural consequences of this kind of a policy. At the 26th National Congress of the CPSU, Brezhnev acknowledged that "the production plans for many consumer products, especially textiles, knitted goods, leather shoes, furniture, television sets, have not been fulfilled year after year.

Due to constantly increasing consumer pressures at home and under the influence of the Polish incident, the Tenth Plan of the Soviet Union again prescribes as a "priority" item that the production of consumer goods shall be increased, but what the actual result will be, is still difficult to foretell. At present, the United States and the Soviet Union again assume postures of arms competition. In this situation, judging from past experiences, the Soviet authorities will most likely make a new disposition of funds and resources and continue to give priority to the development of their heavy industry and arms industry.

Within the heavy industry, the machinery manufacturing industry is always leading all the way to growth rate, durable and never declining. Preferential status as to growth rate is given to the newly arising industrial departments in the machinery manufacturing industry which have closest relations with improving military equipment, such as the electronic industry and the industry manufacturing measuring and automation instruments. In the 1971-1980 period, the gross value of products of the machine manufacturing industry grew 1.7 times, which is 1.2 times the growth rate of the gross value of industrial production as a whole (78 percent), but the value of the products of the measuring instruments industry steeply rose by 3.3 times (within this group the growth of the electronic computer industry was 9 times), again about twice as fast as the

machine manufacturing industry as a whole. In the Eleventh Plan, the growth rate of the machine manufacturing industry is again in first place among all industrial departments. Its growth rate (at least 40 percent) is more than double that of the light industry (18-20 percent). In sharp contrast to the above, the growth rate of technical equipment for the production of the light industry and foodstuffs industry was much slower. In the last 10 years it was only 60 percent of the growth rate of the entire machine manufacturing industry.

Looking at it from a different angle of proportionate relations within industry, the imbalance becomes even more conspicuous. In the Eighth and Ninth Plan the average annual growth rate of the means of labor exceeds the growth rate of the subject of labor (raw materials, construction materials, fuel, electric power) 0.3 times. By the time of the Tenth Plan the excess had doubled. Comparing the processing industry with the excavating industry in the Ninth Plan, the average annual growth rate of the former was 0.6 times higher than that of the latter. Economists in the Soviet Union are of the opinion that these imbalances are precisely important reasons for the constantly growing shortages of supplies of fuel for motive power and of all kinds of raw materials and construction materials.

In the structural setup of departments during the last few years, the backwardness in the communications and transportation sectors, especially with regard to railway transportation, became a serious weakness of the national economy. In the last 5 years (1976-1980) the turnover of railway goods had increased only 6 percent and labor productivity only 0.5 percent, while in 1971-1975 period, these figures had been 29.7 and 24 percent, respectively. According to the Soviet Union's own calculations, economic losses suffered in the industrial departments due to insufficient transportation amount to an annual average of 6.5 billion rubles. In the agricultural departments the average annual loss is over 4 billion rubles.

As to the regional structure of the economy, in the last 15 years the localities of fuel and raw materials exploitation have rapidly moved eastward and northward. Even though there was a steep rise in the proportion within the overall national quantities of various raw materials exploited in the eastern regions, it will not alleviate the contradiction of an unbalanced development of eastern and western regions because the centers of the processing industry are still located in the western regions, investment in the eastern regions has for a long time remained at about one-third of the national total, all kinds of basic facilities in the eastern regions are very backward, especially transportation and logistics cannot catch up with developments and scheduled constructions have been repeatedly delayed. In the total national gross value of industrial output, the proportion of the eastern regions has remained basically unchanged; the western regions still maintain their 80 percent superiority which they have had for many years.

6. Numerous Defects in the Current System of Economic Management, Overall Reform Difficult to Carry Out.

In 1965 the Soviet Union decided on a reform of its system of economic management, the intention being mainly to solve the problems of lack of right of self-determination in the management of basic enterprises, of the excessive use of administrative measures, of indifference of enterprises and among employees and workers toward overall economic results and furthermore intending to make this a turn for the better

to spur on the economic machinery toward greater flexibility, to raise efficiency and reverse the unfavorable downward trend in the economic growth rate. In the early stages of the economic reform, certain successes could be achieved, on the one hand due to the gradual elimination of the chaotic conditions of the Khrushchev era and on the other hand due to a fairly effective realization of the principles of the reform. However, beginning with the 1970's and following the general execution of the economic reforms, the principles of the reform could not be further effectively pursued because a large number of backward enterprises were brought into the movement, and in addition there was strife within the ruling group of the Soviet Union and obstruction from bureaucratic organizations and conservative forces. For instance, no real solution was achieved in the problem of expanding the authority of the enterprises. They still have to face several tens of mother-in-law type authorities. In economic management, economic means could frequently not be applied and administrative methods were prevalent as before, which had important effects. There was still no effective integration of the three factors, the state, the enterprises and the individuals, and sharp conflicts frequently occurred between the three. The reforms did not solve the problem of economic democracy, and political democracy was even less encouraged and developed in the course of the economic reforms. Moreover, no strong measures were taken in the superstructure to use a method of expanding political democracy to ensure the realization of economic democracy. In short, the reforms since 1965 have not at all solved the problems of a fundamental nature, namely of arousing the enthusiasm of the productive workers or of the enterprise management. The broad masses of workers are actually still in a position of having no rights in the management of the enterprises. There is therefore a universal lack of a sense of being masters of one's own affairs among the broad masses of employees and workers and an indifference toward the managerial activities related to production. Absenteeism and go-slow work are serious problems which cause the Soviet Union every year a loss of 15-20 percent of total work time, larger than the losses that occur in the capitalist countries due to strikes. Even more serious are the losses incurred during the production process due to wastage. For instance, the timber shipped out in the Soviet Union and in the United States is of about the same quantity, 300 million cubic meters per year, but in the Soviet Union 150 million cubic feet are lost due to wastage in shipping and processing.

The current system of economic management in the Soviet Union does not actually give first priority to quality and efficiency. In such institutions as planning, bonus awards, etc., the main attention is given to the fulfilment of the annual production plan and quantitative norms still occupy dominant position. This is one of the main reasons why new technologies cannot be widely promoted and why economic efficiency cannot be raised. In July 1979, the Soviet Union passed a resolution "On the Role of Improved Planning and Strengthening the Economic Organization for Raising Production Efficiency and Work Quality." The purpose of this resolution was to shift economic activities on to a developmental path of intensification. Carrying out this resolution could possibly alleviate certain contradictions in the current system of economic management and have a certain encouraging effect on the future economic development. However, it must be pointed out that this resolution still maintains in some important questions, such as planning authority, the command-type nature of the plan, the goods supply system and the system of pricing, the old style of a high degree of centralized control by the central authority without any substantial changes. The problem of how to utilize the law of value and assert the role of the market mechanism is not touched upon in the resolution regarding the problem of expanding

the authority of enterprise management and direct participation by the working masses in production management. In short, judging from the reforms prescribed in the new resolution of 1979, it still appears to be a patchwork resolution that sticks to the old ways, avoids the sticky problems and deals only with the easy questions.

Because the economic reforms of the Soviet Union are not overall reform, that is, not reforms of a radical nature, these reforms create additionally many contradictions in themselves. For instance, on the one hand they emphasize the greater use of such economic levers as price, finance, credit, interests, etc., but at the same time emphatically reject the role of the market and set up planning and market as two antagonistic opposites. Furthermore, on the one hand they intend to broaden the authority of the enterprises, but at the same time constantly increase the quotas that are handed down like commands and orders. If these contradictions are left unsolved for any length of time, they will certainly create great confusion in the economy.

There are many reasons why the economic reforms cannot be applied on a broad scale. The Soviet administrative structure that had developed over several decades, reflecting the will of the centralized power of the central authority, accustomed to stick to its conventions, rigid, conservative, frequently instinctively and obstinately gave indications in the course of the economic reforms that it did not want to effect reforms, but rather demanded centralized control to be exercised over the economy. Besides, in the Soviet Union there is a close connection between official rank, status and power and material benefits. Economic reforms must of necessity touch on the redistribution of powers among the various units and the leadership positions of various ranks, which would also entail a redistribution of material benefits. Such rotten traits as conservatism, backwardness, bureaucratism and special privileges are of course obstructing forces against reforms. Moreover, there is not normal atmosphere for a discussion of the theoretical problems that surface in the course of economic reforms. It is therefore very difficult to study new problems and thus stimulate reforms. Finally, the hegemonic policy pursued by the Soviet Union in foreign affairs requires, objectively, a high degree of centralization of the managerial system to make up for the weakness in economic strength.

The above analysis indicates clearly that there is an extremely complex contradiction in the Soviet economy. On the one hand, judging from the objective needs to overcome the defects in the economy, promote economic development, raise economic efficiency, there is a pressing and strong demand for radical reforms of its current inefficient economic management system. But on the other hand, due to the restrictions of the current Soviet system of socialist administration, it is difficult to effect reforms on a large and important scale. The existence and further development of this kind of contradiction will become more and more a hindrance to future development of the production force.

The six problems dealt with in the above are not at all the only problems that exist in the present Soviet economy, but from these six problems we can already see that the economic problems which the Soviet Union is now facing are not just of the common kind, they have depth and difficulties that must not be underestimated, because these questions have not been brought about by momentary and accidental factors, but are mainly created by the principles and policies carried out by the Soviet authorities

over long periods of time. The negative effects of these problems are not temporary or locally limited, but affect the entire range of the national economy, and are also frequently interrelated. The cause for many aspects of these problems lies in the distant past, they have worsened as the days went by and they cannot be solved with small patchwork amendments. The domestic and international conditions faced by the Soviet Union's economy in the 1980's will be even more complex and more serious than those of the 1970's. There will be less room to maneuver around, and it can therefore be foreseen that the economic growth of the Soviet Union in the 1980's will still be at a low level and slow.

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INTERNATIONAL AFFAIRS

GREATER ECONOMIC COOPERATION WITH ASEAN COUNTRIES URGED

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[Article by Shu Ziqing [5289 5261 3237]: "Economic Development and Cooperation Between China and ASEAN"]

[Text] ASEAN is a regional cooperative organization that was established in 1967. It includes the member countries of Indonesia, Malaysia, the Philippines, Singapore and Thailand. In the more than 10 years since the founding of ASEAN, it has played an increasingly significant role in international affairs. The economic development of the ASEAN countries has also attracted the broad attention of the people.

1. There are two distinctive characteristics in the economic development of the ASEAN countries: first, their rate of development is relatively fast, and second, the economic cooperation among the countries has steadily gotten stronger. In recent years the economic growth rate of these countries has set a world record. From 1970 to 1979 the average annual economic growth rate of the five ASEAN countries increased 7.3 percent, the highest being Singapore at 8.4 percent and the lowest being the Philippines at 6.4 percent. Within this same period, the average economic growth rate of the developed nations in the West increased by only 3.1 percent, and in developing nations and areas it increased on the average by only 5.3 percent. Singapore's economy formerly relied primarily on entrepot trade. It has now become a country with relatively well developed manufacturing industries and systems of sea and air transportation, banking and commerce. The economies of Indonesia, Malaysia, the Philippines and Thailand have also developed quite extensively. The agricultural production of these various countries has changed from the "one-crop farming" model to the gradual development of diversified economies. Currently the proportion of industry in the GNP of each country on the whole exceeds that of agriculture. Foreign trade has also grown rapidly. In 1980 the import and export trade volume of the five countries reached \$130 billion. This accounts for approximately 14 percent of the total volume of foreign trade of developing countries and areas.

These five ASEAN countries have conditions favorable to economic development. Indonesia, Malaysia, the Philippines and Thailand possess rubber, lumber, rice, oil, tin, copper, chromium, nickel, iron, alumina and other abundant natural resources. They also have a cheap and ample supply of labor. Singapore lacks natural resources but has the advantage of its geographical position. Its harbor,

cargo, financial and trade undertakings are all fairly well developed. Its educational level is quite high, and it has well trained technicians and labor force. At the same time, the government of each country places great importance on economic development. Within their countries they actively encourage private investment for industrial development. They also make an effort to seek credit and investment from abroad and focus on absorbing the new technologies and technological skills from abroad. They continue to actively expand foreign trade in order to advance their economic development. The volume of import and export trade in the five countries is considerable; some have even far exceeded their GNP. In 1977 the proportion of the volume of foreign trade in that year's GNP for each country was as follows: Indonesia, 47.5 percent; Malaysia, 86.6 percent; the Philippines, 35.9 percent; Thailand, 45.7 percent; and in Singapore the volume of foreign trade was 3.7 times that of the GNP.

Since the establishment of ASEAN, and particularly since the first summit conference in 1976, regional economic cooperation has grown steadily. ASEAN economic cooperation arose from the common needs of each member country. As for foreign trade, each ASEAN country has close ties with Japan, the United States and Europe. Their mutual dependence is quite extensive. However, as regards economic relations with developed Western nations, ASEAN countries occupy a relatively disadvantageous position. For example, the price of their primary products frequently fluctuates and drops. Their export of manufactured goods is limited by distribution restrictions and high tariffs. Because of this it was necessary to unite to adopt a common stand to strive for fair treatment. Within ASEAN, the economy of each member country has its own distinctive features. The resources of each country are different, so they can make up for each other's deficiencies, regulate each other, strengthen their overall regional influence and try to achieve joint economic development.

In order to develop regional trade in the past few years, each member country decided to set preferential tariffs among themselves on a certain number of commodities. Preferential trade commodities have increased from an initial 71 items to the present 6,581 items. In order to develop regional industry, the five countries further decided to make joint investments in factory construction. Of these, some projects are already proceeding according to plan. To solve the problem of shortages of energy resources, ASEAN decided that when there is a critical situation, regional oil-producing countries would get priority in supplying the needs of member countries. ASEAN acts as a unit in holding negotiations with developed Western nations, and in order to safeguard their own economic rights and interests, they have greatly strengthened their negotiating position.

Of course, this economic cooperation among ASEAN countries has only just begun, but from now on it will continue to advance along this path.

2. ASEAN countries are China's near neighbors. The Chinese people have a long-standing tradition of friendship and close economic trading relations with the people of each ASEAN country.

Since the founding of New China, due to oversights in work and other factors, our economic construction has taken numerous detours. However, it has in general attained tremendous, unprecedented development. The rate of economic growth has been fairly rapid. In comparing 1980 to 1952, the grain yield has doubled, cotton

has more than doubled, and in industry quite a comprehensive system made up of nearly 400,000 enterprises has been completed. Even though the population rate has grown too fast, having already reached 1 billion, we can still rely on our own strength to basically insure the needs of the people for food and clothing. The people's style of life has improved.

At present, the economy of China is in the process of carrying out the policy of "readjustment, reform, consolidation and improvement." The key point is readjustment. The results of this readjustment will be to make the ratio between accumulation and consumption and between the departments of agriculture, heavy and light industry, etc, more equitable, and in this way lay a foundation for the greater development of the national economy. We will continue to implement a liberal economic policy toward foreign trade, actively import advanced foreign technology, and develop foreign economic cooperation, including developing ties of economic cooperation with each ASEAN country.

All of the five ASEAN countries, with the exception of Indonesia, have established direct trade relations with China. Some entrepot trade is carried out with Indonesia by way of Hong Kong and Singapore. China imports great quantities of rubber, copper, lumber, coconut oil, palm oil, sugar and other products from ASEAN countries. ASEAN countries in turn purchase rice, oil and various kinds of local special products in light and textile industries from China. Recently, following the development of friendly relations on both sides, trade between China and Thailand, the Philippines, Malaysia and Singapore has grown rapidly. In 1980 the trade total for both sides reached \$1.848 billion, an increase of 48 percent over the 1979 total of \$1.249 billion. ASEAN is currently China's fifth largest trading partner. In China's total trade volume, ASEAN's position is second only to that of Japan, Hong Kong, the EEC and the United States. The principal factors for advancing the development of bilateral trade are: 1) Both sides have a tradition of trade relations; each has some commodities that correspond to the needs in the daily life of the people and in economic construction. 2) With exchange visits by the leaders, dealings among the people and contact between those involved in trade, there followed an increased understanding and deepening friendship between both parties which has provided a foundation for expanded trade. We have signed successive trade agreements with the Philippines, Thailand and Singapore. In addition, we have signed a protocol with the Philippines and Thailand for the establishment of a joint trade committee. Both parties set a date every year for holding a meeting to discuss problems in developing trade between the two countries. Recently China and Singapore set up a trade representative's office in each other's capital. This will encourage the continued development of economic trade cooperation between the two countries. 3) China places great emphasis on developing trade with ASEAN countries. The amount of oil that China exports is restricted, but we try to supply the Philippines and Thailand with as much oil as possible. As for the ASEAN countries, they are also willing to expand trade with China in order to diversify their foreign trade. 4) China is a close neighbor of the ASEAN countries; transportation is therefore convenient and expenses are fairly low.

In the last few years, China has had a favorable balance of trade with Thailand, the Philippines and Singapore. China has taken note of this problem. This favorable balance of trade with the Philippines and Thailand has been due to the relatively large proportion of China's oil exports and to the rapid increase in the

price of oil on the world market. The favorable balance of trade with Singapore was due to historical reasons. In spite of this, in order to improve this unequal state of affairs in trade, China has made great efforts through various channels to explore the possibility of expanding the imports from the other side. China has made every effort to increase imports of those things which China needs and the other side can export. In the last couple of years, China has increased its purchase of rubber and palm oil from Malaysia, raw sugar from the Philippines, and rice, maize and mung beans from Thailand. And, at the same time, it has increased the import of industrial products from ASEAN countries such as well drilling platforms, steel products, pharmaceuticals, kinescopes, plastic film, artificial fiber and other fabrics. It is estimated that with the development of bilateral trade and with joint efforts, the trade balance will gradually be improved from now on.

Science and technology are also important fields for bilateral cooperation. The Philippines and Thailand have both signed an agreement for scientific and technological cooperation and have established a joint committee at the ministerial level for cooperation in science and technology. Beginning in 1979, the Philippines, Thailand and China sent observation groups every year to investigate each other's agriculture, industry, medical systems, etc. They set up an exchange of science and technology and supplied each other with seeds, nursery stock, minnows, breeding stock and eggs, as well as meteorology and hydrology materials. Malaysia and Singapore still do not have any agreements for scientific and technological cooperation with China, but a number of individual trade projects have been arranged. The aim of this cooperation is to learn from each other and make up each other's deficiencies in order to advance each other's scientific, technological and economic development. China's economic development and level of science and technology is on a par with the ASEAN countries; however, each has their strong points. For example, China has observed and studied rubber cultivation, sugar refining, forestry, shrimp farming, pearl cultivation, poultry mechanization, high-level construction, etc in Thailand and the Philippines. Thailand and the Philippines have in turn observed and studied agricultural machinery, irrigation, silkworm farming, fisheries, silk processing, acupuncture, moxibustion, Chinese herbal medicine, etc.

Without doubt, the prospects for economic cooperation between China and the ASEAN countries are quite broad. Besides trade, science and technology, it is predicted that in the future there will be greater cooperation in finance, shipping, aviation, telecommunications, tourism, investment and in many other fields.

Following bilateral economic development, the commodity structure may show corresponding changes: the variety and quantity of commodities exchange will increase. From now on the potential for development of economic cooperation between China and the ASEAN countries is great. Of course, this requires that both sides put in a great deal of work and effort over a long period.

3. It is anticipated that the rate of economic development between China and the ASEAN countries during the eighties will continue to be fairly rapid. The economy of the ASEAN countries will maintain the growth momentum of the 1970's; the growth rate may still reach approximately 7 percent. While in a period of readjustment, China's rate of accumulation cannot increase. Investment in basic construction will be cut back as required, and since more emphasis will be placed on improving

the material and cultural life of the people, the economic growth rate will decrease somewhat. However, in the latter half of the 1980's and in the period following, the growth rate will increase dramatically. Nevertheless, there are still many complex problems concerning the economic development of each nation in this area, such as problems in energy resources, food, deficits in international balance of payments, accumulation of debts, inflation, etc. Since the conditions of each country are quite different, each has its own difficulties.

To solve these problems, it is important to rely on the efforts of each country. Better paths of development should be explored according to the circumstances of each country. However, further cooperation among concerned countries is an undeniable factor in economic development.

The existing ASEAN cooperation reflects the developing economic requirements of each member country. Development has been relatively smooth. Looking at the present situation, it can be seen that ASEAN cooperation is still in its infancy; it is still possible to strengthen future cooperation in trade and industry. Following the development of their economies, the process of mutual reliance and supplementing each other's needs will intensify and preferential trade projects will gradually increase. In industry, full use can be made of each country's funds, resources and markets. They can join together to engage in large-scale industrial production which will promote the process of industrialization in each country. Member countries can also ease the concern of some countries with problems in energy resources and food through readjustment.

Economic cooperation between China and the ASEAN countries has already made a good beginning. Indeed, prospects are looking good, given that both sides are increasingly promoting friendly relations, that they are jointly confronting the tasks of developing their national economies and thus adhering to the principle of equality and mutual benefit, and that they continue to steadily develop bilateral economic cooperation according to their needs and what is practical. China's liberal economic policies provide great impetus for this cooperation.

Some people worry that after the development of China's economy, China's export of industrial products will increase and this may lead to competition with many ASEAN products. Actually, the development of China's economy is primarily based on China itself. China has a population of 1 billion people, the internal market is very great. At present the proportion of China's commodities export on the world market is less than 1 percent. Even if within the next few years our economy develops considerably, our exports will still be limited. In addition, the industrial products that can be traded are varied and numerous. Therefore, in the final analysis, the conflict of trade between China and the ASEAN countries would be minimal. Even if there temporarily occurs a contradiction between the two concerning commodities, it can be adjusted through friendly consultation. Furthermore, as China's exports increase, its ability to settle accounts will improve and China can then purchase even more products from the ASEAN countries and other nations. Not only can we purchase the production material necessary for the establishment of the "four modernizations," we can also buy food and some consumer products to better satisfy the subsistence needs of the people. The interests of China and the ASEAN countries in developing economic cooperation are one and the same.

Next, we must still develop economic cooperation with countries outside of this area. China and the ASEAN countries are all developing nations, we have common interests with other developing nations. In the 1980's, relations of economic cooperation between China and the ASEAN and other developing nations will continue to develop further. At a time when it has become more and more difficult for the products of developing countries to enter the market of developed countries, the people are already giving greater attention to expanding economic trade relations among developing countries. Developing nations should join forces and strive to establish a new international economic order. Of course, China and ASEAN may still continue to develop economic cooperation with developed countries; this is a common need on both sides. The problem is how to get this cooperation truly established on the basis of equality and mutual benefit. Developed countries should consider the needs of developing countries and do their best to insure that the products of ASEAN countries, China and other developing nations receive equitable and stable pricing. They should not use such methods as selling at low prices, stockpiling or buying low, as has been done in the past, thereby artificially causing instability in the prices of primary products. Developed countries should absorb the manufactured imports of these countries and not erect trade barriers and engage in protectionism. In the long run, if developed countries properly strengthen their cooperation with this area in funds, technology and trade and assist in speeding up the development of their economies, it will raise this area's ability to make payments, which will be of benefit to all.

Although the economies of China and the ASEAN countries still face difficulties in the eighties, they will ultimately attain a greater degree of development. Economic cooperation among the ASEAN countries and economic cooperation between China and ASEAN will certainly become stronger and become an important factor in safeguarding the peace and stability of this area.

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INTERNATIONAL AFFAIRS

SOLUTION TO ARAB-ISRAELI CONFLICT PROPOSED

Tianjin GUOJI WENTI YANJIU [STUDIES IN INTERNATIONAL PROBLEMS] in Chinese No 2, Oct 81 pp 44-48

[Article by Zhou Yaqun [0719 0067 5028]: "Middle East Problem Must Be Fully and Fairly Solved"]

[Text] As a result of Israeli opposition to Syrian guided missile deployments in Lebanon, the brazen bombing of a nuclear reactor in Iraq, and repeated attacks on southern Lebanon and its capital Beirut, for some time the already turbulent Middle East situation has become more tense. In an effort to benefit from this, the Soviet hegemonists have taken the opportunity to expand their power and influence in the Middle East. In the face of the present explosive Middle East situation, a full and fair solution to the Arab-Israeli clashes is of increasing importance and urgency for the maintenance of the peace and security of the Middle East and of the world.

(1)

The Arab-Israeli conflict is of long standing. Historically, both the Jews and the Arabs established their own country in Palestine. During the late 19th and early 20th centuries, the imperialists adopted a policy of "support the Jews and curb the Arabs," which provoked constant bloody clashes and greatly intensified this conflict.

On 29 November 1947, manipulated by the imperialists, the United Nations passed a resolution for the establishment of Israel on Palestinian soil. On 14 May of the following year, Israel was founded. From the very first day of its founding, Israel pursued a policy of aggression and expansion. Through warfare, it occupied by force 86,000 square kilometers of Arab land, and drove more than 1 million Palestinians out of the country that they had lived in for generations, forcing them to wander about as refugees subject to every kind of maltreatment. Israel also illegally swallowed up Jerusalem, a place sacred to three of the world's great religions, Islam, Christianity, and Judaism, and wantonly profaned historic Islamic sites, arousing the intense anger of more than 40 Muslim countries in the world and close to 800 million followers of Islam.

For a long time, the Arab countries and people have waged an unyielding war to take back the sacred soil of the Arabs and to restore the national rights of the Palestinian people. During the past 10 years and more, in particular, with the sympathy and support and arduous struggle of the Arab countries and people as well as all countries that support justice, the heroic Palestinian people's influence

has steadily increased. The sole legal representative of the Palestinian people, the Palestine Liberation Organization [PLO] has already become a major political force in the Middle East region. It has established relations with more than 100 countries, and it has sent representatives and observers to the capitals and international organizations of more than 80 countries. This is doubtlessly a major positive element in the just struggle of the Palestinian people and the development of the Middle East situation.

Israel's aggressively expansionist actions have all along been supported and connived in either directly or indirectly by the superpowers. Bias in favor of Israel has been a fixed policy of successive American administrations. As long ago as before the formal announcement of the Balfour Declaration, the United States announced support for the declaration. Since the founding of Israel in 1948, the United States has, as of now, provided Israel a total of \$20 billion in military and economic aid, including the most up-to-date military equipment such as F-16 fighter aircraft, enabling Israel to maintain "military superiority" over the Arab countries. At numerous international conferences, the United States has played the role of Israel's "apologist" or "protector."

The USSR, the other superpower, accustomed to double-dealing, playing tricks, and lying in wait, has used the conflict to its own advantage. It must be especially pointed out that from the very first day since the founding of Israel, the USSR has uninterruptedly shipped manpower and sources of troops to Israel, providing a blood transfusion to Israel's policy of unjust military adventures. To date, a total of approximately 200,000 Soviet Jews have emigrated to Israel. Among these, many have been Soviet military or technical people, and during the fourth Arab-Israeli War, they performed deeds of valor in battle. In 1973, during the month in which the "October War" broke out alone, the USSR sent 4,000 Jewish immigrants to Israel for an all-time record. On the other hand, the USSR sold large quantities of arms to the Arab world at high prices in a seeking after economic and political benefits. However, it also frequently resorted to tactics of cutting off spare parts and interrupting supply of weapons at crucial times, thereby creating various hardships for the Arab states' wars against aggression. It is generally known that the defeat of Egypt and other Arab countries in the "six day" war of 1967 was inseparable from the sell-out and betrayal of the Soviet Union.

The attitude of the USSR toward the Palestinian problem has also been very dishonorable. Up until the late 1960's and early 1970's, the Soviet Union was reproachful and obstreporous toward the righteous struggle of the Palestinian people. Soviet periodicals slandered the PLO as a "terrorist Organization," and would not permit it to establish an office in Moscow. However, under a situation of steady development of the struggle of the Palestinian people, and as a result of the need to intensify the struggle for the Middle East with the United States, the USSR suddenly changed its spots to style itself the "strategic ally" of the Palestinian people.

The USSR prattled about Middle East peace, but actually it most feared that Arab-Israeli clashes would turn toward a truly peaceful solution, because if peace and stability were suddenly to appear in the Middle East, a large amount of the best market for Soviet armaments would be lost, and the USSR would also lose one of the major methods on which it relied to infiltrate and control countries of the Middle East. Consequently the strategic plan of the USSR was to strive for the long range

maintenance in the Middle East of a situation of "neither war nor peace," which would be beneficial to its struggle with the United States and would expand its own sphere of influence. Recently, the USSR has harped on the same old tune of convening an international conference on Middle East problems, its main goal being to change its awkward position of being excluded from the solution process on Arab-Israelis clashes and, through having a hand in this process, to drag out and obstruct any real solution to Arab-Israeli clashes.

(2)

In addition to Palestine, all of the Arab states have lost their national independence one by one, and are facing a formidable task in the development of national economies and culture and in raising the living standards of the people. Taken as a whole, the Arab states have rather favorable objective economic conditions. With peaceful conditions and the pursuit of proper policies, it is entirely possible for them to make fairly rapid strides toward national construction. However, continuous years of the depredations of war, and longer periods of preparation for war, have made numerous Arab states greatly delay the pace of economic development. In four Middle East wars, Egypt lost almost \$60 billion, and 100,000 men were wounded or killed in action. In order to defend against Israeli aggression, Syria and other "confrontation" countries commonly spend between one-third to more than two-fifths of their budgets on military expenditures. Consequently, the Arab countries and people urgently need to solve the Arab-Israeli conflict, regain lost Arab lands, and restore the national rights of the Palestinian people, thereby concentrating forces to undertake national construction.

As to how to resolve the problem of Arab-Israeli conflict, different views and methods exist among the Arab countries.

Some Arab countries regard Israel's existence as a fait accompli. Faced with support for and connivance with Israel by two superpowers, and after summarizing the lessons of experience in four Middle East wars, plus the pressure of internal demands for rapid development of their national economies and the clamor to improve the people's livelihoods, they deeply feel that warfare cannot solve Arab-Israeli disputes. Consequently there is no choice but to courageously make efforts and choices to achieve peace. Some countries have taken steps to sign peace treaties with Israel independently.

Other Arab states and organizations oppose making a separate peace. They believe that since American-supported Israel cannot change its aggressive policy of expansion, Arab-Israeli clashes are difficult of full and fair solutions through peace talks. Consequently, they advocate use of force to take back lost Arab lands and to restore the national rights of the Palestinian people. They maintain that "things taken by force can be taken back only through the use of force." Individual countries and organizations have, to this day, not yet abandoned their stand of crushing Israeli rule.

A substantial number of Arab states do not oppose reliance on united Arab forces to achieve a full and fair political solution with Israel; however, they do not agree that any Arab country may make an independent peace with Israel. They oppose Israel aggression and expansion, but they do not seek annihilation of the existence of Israel. Not long ago, Saudi Arabian Crown Prince Faud proposed a seven point

plan to solve the Middle East problem the principal contents of which were that Israel should withdraw from all Arab lands occupied during the 1967 war, restore the national rights of the Palestinian people, and recognize, at the same time, the rights of all nations in this area to live together in peace. Leaders of the PLO also indicated that their goal is restoration of their own rights, and establishment of a country on Palestinian soil from which Israel withdraws, and "not the extinction of any country."

Because of the differences among Arab countries in their experiences and situation in Arab-Israeli clashes, it is only very natural that they differ in their proposals and methods for solving Arab-Israeli conflict. Nevertheless, there are things about which they are fundamentally unanimous: they all want Israel to withdraw from the Arab lands they occupy; they all want restoration of the national rights of the Palestinian people; and they all believe that the Middle East problem requires full and fair solution. These things provide a common political foundation for the elimination of Arab differences and uniting against the enemy.

(3)

1. The key reason that the Arab-Israel conflict has not been solved for so long is that the ruling group in Israel has had American backing. They use their various temporary "military superiorities" over the Arab countries to stubbornly maintain their expansionist position in a vain effort to realize a plan of "Greater Israel." Such an obstinate attitude on the part of Israel not only has incurred the strong condemnation of the international community, but has also aroused the increasing displeasure of the masses of people within Israel itself. More and more Israelis have gradually come to realize that continued long term confrontation with more than 20 Arab countries most certainly is not truly in Israel's interests. It can only bring increasingly serious hardships for the people of the region including the Israeli people. Israel's security cannot depend on the occupation of other people's territory for its realization. They call for resolution through talks of the Israeli-Arab controversy to live in peace with the Arab countries. The "peace now" movement is gaining increasingly widespread response at every level of Israeli society. As a result of dissatisfaction with Begin's expansionist policies and a feeling that Israel lacks security, the reverse flow of Israeli immigrants has become serious. According to officially published Israel data, during the first half of this year, only 817 Jewish immigrants moved into Israel, while the outward flow of Israelis numbered 5,307 people, which was almost six times the number of immigrants. Nevertheless, in an overall sense, the balance of various forces within Israel has not yet changed to the point where it is able to reverse prevailing policies of the Israeli government. At the end of this June, Israel held elections in which the rate of ballots cast showed a clear decline from the last major election, reflecting the dissatisfaction of most of the people with the ruling group. However, Begin was finally able to form a cabinet, and placed some of the most unregenerate expansionists in major government posts. This portends, at least for some time in the future, continued Israeli pursuit of its expansionist line.

2. For a long period of time, the United States has blindly tilted toward Israel, placing itself in the position of enemy to more than 100 million Arabs. Admittedly there are internal political reasons for those in positions of authority in America doing this; nevertheless, one cannot but feel they are lacking in strategic foresight. This is the fundamental weakness of America's Middle East policy.

After the Reagan administration came to power, it indicated its most priority problem for consideration to be checking the daily increasing Soviet threat in the Middle East. The primary purpose of a visit to the Middle East this April by Secretary of State Alexander Haig was to convince some of the countries in the region to form a "strategic consensus" with the United States for common containment of the southward advance of the USSR. But results ran counter to expectations. The reason lay in American disregard for the just demands of the Arab people, maintenance of its program of partiality toward Israel, and unrealistically wanting the Arab countries to put aside their dispute with Israel and unilaterally accept the American designed "strategic consensus." Without doubt, both in terms of the sentiments of the Arab people and in terms of the perception of the Middle East situation by an overwhelming majority of Arabs, this was unworkable. Saudi Foreign Minister Sa'ud al Faisal said, "We put the conflict with Israel in a paramount position; this is the main reason for instability in the Near East." Egyptian Deputy Premier and Foreign Minister 'Ali also said, "Solution to the Palestine problem is a basic element in bringing to an end the Soviet presence in this region." From this may be seen that the American conception of a Middle East policy is greatly at variance with local objective realities. Recently President Reagan also emphasized that realization of peace in the Middle East is one of the most important matters on the international stage. Nevertheless, it may be stated categorically that until the United States changes its position of partiality toward Israel, there can be no fundamental improvement in relations with many Arab states; there is no way for the United States to get out of a passive situation in the Middle East, and it will be very difficult to fully expand deployments against the USSR.

China has an old saying: "It is not too late to mend the fold even after some of the sheep have been lost." America's relations with Israel are close, and America has the capability of exerting influence and pressure on Israel. Were the United States able to decide to change its own mistaken policies, it could seek a full and fair resolution to the Arab-Israeli conflict, and maintain Middle East peace and stability. However, as of today, the United States continues not to make any move in the rapidly changing Middle East situation, and is sometimes even led around by the nose by Israel.

Nowadays many Americans have begun to raise criticisms of America's policy. Most recently, former Deputy Secretary of State, Baoer [phonetic] pointed out in the "Washington Post" that the United States is "urgently in need of redefining its relations with Israel. The currently onesided relationship is harmful and dangerous." He also said that it is precisely because of America's policy toward Israel that America's influence in the Middle East is weakened, giving rise to an increase in Soviet possibilities for infiltration. This may be accepted as a clearheaded proposal by an American political personnage. As to whether the future attitude of the Reagan administration toward the Arab-Israeli conflict will be readjusted and changed, and the degree to which these readjustments and changes will be made, people are waiting to see.

3. For quite some time the European Economic Community has made commendable efforts to promote peaceful solution to the Arab-Israeli conflict. Europe has close political and economic relations with the Middle East. The Middle East is a flank of Europe, and 70 percent of Western Europe's petroleum needs are met by the Middle East. This region is also a huge market for Western European goods and technology. Western European countries hope, for their own good, that the Arab-Israeli conflict

can be solved as early as possible, and they deeply fear that further turmoil in the Middle East may affect the supply of petroleum and the security of major international transportation arteries.

During the meeting of the heads of state of each of the countries in the European Economic Community in Venice last June, emphasis was placed on discussion of Middle East problems. Following the meeting, a statement was issued that in addition to acknowledging Israel's right to exist and security, also emphasized that in any Middle East talks, there would have to be relations with the PLO, that the Palestinian people should enjoy self-determination within the scope of an overall solution, and that all nations in the European Economic Community were prepared to participate in international guarantees of Middle East peace. In December of the same year, the European Economic Community approved the Luxemburg Declaration, reiterating the principles of the Venice statement. Reports from abroad disclosed that the meeting also mulled over some concrete problems, and proposed that Israel withdraw within 2 years from the territory it had occupied in the 1967 war, and that its illegally established settlements on the west bank of the Jordan River be dismantled. On the basis of self-determination, the West Bank and Gaza Palestinian people should build an independent country, which could also form a federation with Jordan, and could also form a federation with Jordan and Israel. Jerusalem should have either an international position or be autonomous. Palestinian refugees should have the right to return to their homeland or to receive compensation.

For the purpose of considering and talking over the "European Plan" for solution to the Arab-Israeli conflict, Mrs Thatcher, the British prime minister, the German premier, Schmidt, and the Austrian premier, Kreisky separately visited various countries in the Middle East this year. An increasing number of European countries have come to realize that the Palestine problem is a crucial problem in the improvement by Western European countries of their relations with Arab countries, and in strategically strengthening the European flank. Though Western European countries cannot play a decisive role in the final solution to the Middle East problem, Western European countries can urge the United States to pressure Israel, and can intensify the European-Arab dialogue. Through their own initiatives and cooperation with the Third World, they can make an active contribution in promoting and furthering a full and fair solution to the Arab-Israeli conflict.

(4)

Both China and the countries of the Arab world have an ancient culture and a long history. More than 2,000 years ago, the Chinese people and the Arab people began intercourse and formed a deep friendship. The "Silk Road," so famous in both China and abroad, and the "Spice Route" on the sea are testimony to this intercourse.

After the founding of New China and the winning of independence or success in revolution of many Arab countries, a new page was turned in Sino-Arab friendship and cooperation. In their anti-imperialist, anti-hegemonist, and anti-colonial struggles, as in the winning and maintenance of national independence, the people of China and of all the Arab countries have all along been mutually sympathetic and mutually supportive.

In late 1963 and early 1964, in the capacity of a friendly envoy of the Chinese people a "seeking after friendship and cooperation," Premier Zhou Enlai visited

Egypt, Algeria, Morocco, Tunisia, Sudan, and Somalia as part of a visit to 13 countries in Asia and Africa in which he announced the famous five Chinese principles in handling relations with African and Arab countries, proclaimed support for the struggle by all Arab countries against imperialism and against new and old colonialism as well as for the winning and maintenance of national independence, advocated the honoring by all other countries of their autonomy, and opposed aggression and interference from any quarter whatsoever. These principles still possess powerful vitality today.

In the Arab-Israeli dispute, China stands resolutely on the side of Arab countries opposed to aggression. During the three Arab-Israeli wars of 1956, 1967, and 1973, the Chinese government and people promptly gave the Arab countries and people political and moral support, and provided what assistance they could. China was also one of the earliest countries to support the Palestine resistance movement. In May 1965, the PLO established an office enjoying diplomatic status in Beijing. This was the earliest among the non-Arab states. China has adhered to no maintenance of relations with the Israeli government, which has occupied the soil of Arab countries and has denied the national rights of the Palestinian people. China has resolutely condemned the two superpowers for supporting or conniving in Israeli expansionist activities.

China approves of the three proposals put forward by the overwhelming majority of the world's nations for solving the Middle East problem, namely: Israel should withdraw from the Arab lands occupied in 1967, including Jerusalem; the national rights of the Palestinian people, including return of their homeland, national self-determination, and the right to found a country should be restored; and all countries of the Middle East should universally enjoy the right to independence and existence. Of course, the most urgent present problem is recovery of lost Arab lands and restoration of the national rights of the Palestinian people. With a solution of just these two problems, it would be possible to talk about realizing peace and stability in the Middle East, and the existence and security of Israel could also only then be truly and reliably assured.

The Arab people are masters of the Arab fate. Arab unity is the fundamental condition for winning victory against Israeli aggression by the Arabs. Even though this kind or that kind of disagreement breaks out from time to time among Arab countries, for the attainment of the great objectives of the Arabs, they will finally eliminate their differences and unite against the enemy. As regards conflicts among Arab countries, China has all along hoped that in the great cause of unity, they will eliminate meddling and interference by superpowers, and through peaceful discussions, with mutual give and take, they will seek an equitable solution.

The Arab-Israeli conflict, even if figured as having begun in 1948, has gone on for more than 30 years, and its continuation is advantageous neither for the Arab people nor for the Israeli people. Nor is it advantageous for world peace and the security of all countries. It is advantageous only to the hegemonists who batten on world turmoil in order to fish in troubled waters. Earliest possible full and fair solution to the Arab-Israeli conflict is a demand of the times and the cry of the world's people. In this regard, the Chinese people and government will forever be as Premier Zhou Enlai solemnly declared during his visit to Arab countries in 1960, a friend and brother on whom all Arab governments and people can rely!

PARTY AND STATE

PRESENT STATE OF CLASS STRUGGLE ASSESSED

Huhhot NEIMENGGU RIBAO in Chinese 25 Sep 81 p 3

[Article by Kao Xia [7539 1499]: "A Correct Understanding of the Present State of the Class Struggle in China"]

[Text] A correct understanding of the present state of the class struggle in China has a vital bearing on the achievement of the objectives of identity of thought, monolithic solidarity, further readjustment of the national economy, and implementation of the four modernizations. However, there is still a divergence of views on the current status of our class struggle. Some hold the view that it is "rightist" to support the idea that class struggle is no longer the chief contradiction in our society. Others tend to belittle the class struggle, in the belief that it is no longer a burning issue--a belief that leads to laxity in taking the offensive against acts of destruction and disturbance perpetrated by our class enemies. Unless these mistaken concepts are rectified and clarified, it will not be possible to correctly understand and deal with certain aspects of the class struggle or to ensure greater solidarity and development of the stable and unified political situation in our country. As was pointed out in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China," adopted by the Sixth Plenary Session of the 11th CCP Central Committee, "Since the liquidation of the exploitation class as a class, the class struggle has ceased to be the chief contradiction. However, due to domestic factors and international influences, the class struggle will continue for a long period of time within certain limits and may, under certain conditions, be stirred up again. While we are opposed to the view that the class struggle should be enlarged, we must also oppose the view that the class struggle has become a dead issue. We must maintain a high degree of vigilance and continue to wage an effective struggle against acts of sabotage perpetrated by antisocialist elements politically, economically, ideologically, culturally, and in social life." This is the correct and incisive assessment of the current status of our class struggle, as well as the basic view and attitude that we should maintain on the question of class struggle.

As we know, the completion of the transformation of the social system into the socialist system, in which the means of production belongs to the state, sounded the death knell for the exploitative class as a class. The large-scale and pressing class struggle has therefore been brought to an end. Because of that, the focus

of our work should be shifted from taking a firm grasp on the class struggle to production, improvement of the people's livelihood, and the need to satisfy the increasing demands of the people materially and culturally. In correctly assessing the current class situation, the party's "eight big" policy pointed out that "the contradiction between our proletariat class and our capitalist class has basically been resolved." It was further pointed out that while we must not relax our vigilance against our class enemies, "there is no reason to support the view that antirevolutionary activities are becoming increasingly serious." Ever since the basic completion of the transformation of the social system into the socialist system, in which the means of production belongs to the state, the chief mission of the entire party and people throughout the nation is that of concentrating our efforts on developing the productive capability of society and on "speedily transforming a backward agricultural nation into a developed industrial nation." The chief contradiction at the present time is the contradiction between the needs of the people in a rapidly developing economic and cultural environment and our inability to meet the needs of the people economically and culturally. However, due to certain "leftist" errors in the past, no serious effort was made to implement this correct assessment, which had come to be replaced by the misguided slogan "Make class struggle the main issue." It was not until the Third Plenary Session of the 11th CCP Central Committee that the long-advocated policy of enlarging the scope of the class struggle was gradually wound down, a realistic analysis and assessment of the present status of our class struggle were made, and a series of realistic policies and principles were formulated for the gradual improvement of our political situation and the development of our economy along the correct path.

Although class struggle is no longer the chief contradiction in our society, it is a mistake to overlook it or to deny that it continues to exist. The scope of our class struggle has been reduced since the advent of socialism, which calls for state ownership of the means of production. It is waged mainly in the area of development and implementation of the four modernizations. It should be noted that we are still plagued by acts of sabotage perpetrated by counterrevolutionary elements, that remnants of the Lin Biao-Jiang Qing counterrevolutionary clique continue to engage in acts of sabotage and to create trouble, that we continue to be faced with hostile antisocialist elements and troublemakers, that criminal elements of all kinds continue to create problems, that corrupt, larcenous, opportunistic, and perverted elements remain active, and that the international class struggle continues to affect our lives. Although these elements are not large in number, they nevertheless exert a direct adverse effect on the basic interests of the people. If we should fail to have an adequate understanding of the problem, and if we should overlook the continued existence of the class struggle in our midst and the possibility of its intensification under certain conditions, we would give our enemies the opportunity to exploit the situation and to cause a setback to the newly revived and animated political situation and to the present favorable economic outlook; the result would be that the work of national economic readjustment could no longer continue to be carried out expeditiously. For this reason, it is extremely dangerous to hold the view that class struggle has become a dead issue. In the interests of stability and unity, and in order to ensure the success of the four modernizations, we must continue to wage a determined struggle against all types of counterrevolutionary and saboteur elements. We must strictly adhere to the policy of dealing sternly

and speedily with such criminal elements as murderers, robbers, arsonists, and the leaders of hoodlums according to the law, so that the lives and property of the people may be protected. It goes without saying that in waging this struggle, we must learn to apply the law and to follow proper legal procedures.

At the same time, it is extremely dangerous to hold the view that the class struggle should be enlarged in scope. Taking advantage of the leftist mistakes made by the party, Lin Biao and the "gang of four," by promoting the idea of "distrusting everything" and "overthrowing everything," caused large numbers of veteran cadres to be falsely accused and unjustly criticized. Untold numbers of innocent people were killed, and numerous revolutionary comrades, unable to withstand the trumped-up charges leveled against them, were forced to take their own lives. We must take this bitter lesson to heart. We must adopt the Marxist method of analyzing the classes, correctly analyze the class situation, and identify the chief contradiction in our society. We must assess the situation as it is, correctly recognize the various contradictions, avoid overestimation and underestimation, and act in a realistic manner on the basis of actual facts.

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PARTY AND STATE

MARXISM, MAO'S THOUGHT SAID TO REQUIRE UNITY OF LEADERS, MASSES

Beijing RENMIN RIBAO in Chinese 23 Oct 81 p 5

[Article by Tang Qunying [3282 5028 5391]: "Enrichment and Development of the Marxist Theory of Knowledge"]

[Text] The "Resolution Concerning Certain Questions in the History of Our Party Since the Founding of Our State" points out that Comrade Mao Zedong's philosophical works and his many other works fraught with philosophical ideas, summing up the experience and lessons of the Chinese revolution, have profoundly explicated and enriched the Marxist theory of knowledge.

On the matter of the theory of knowledge, Marx and Engels provided clear explication concerning questions such as the source of perception, the developmental process of perception, the goal of perception, and the criterion of truth, and they established the foundation of the dialectical-materialist theory of knowledge. The task of Marxist philosophy is not only to understand the world and to interpret the world but also to change the world. Basing himself on this rationale, Comrade Mao Zedong stressed the two conspicuous characteristics of dialectical materialism, namely, its class character and its practical character. From the point of view of practice, "On Practice" comprehensively and systematically explains the fundamental questions of the theory of knowledge. Mao Zedong's many works profoundly illustrate that the Marxist theory of knowledge is a dynamic, revolutionary theory of reflection. The masses of people are the creators of history. As for the proletariat and its political party, only when they correctly sum up the practical experience of the masses, formulate the party's line, principles and policies, rely on the masses, and mobilize the masses, so as to turn the [line, principles, and policies] into the conscious action of the masses and put them into practice, can they accomplish this task of understanding the world and changing the world. For this reason, Mao Zedong drew the party's mass line into this theory of knowledge and thereby unified the dialectical-materialistic theory of knowledge with the party's mass line. This was an enrichment and development of the Marxist theory of knowledge.

The Marxist theory of knowledge tells us that man's perception originates from practice. If people wish to understand something, they must get into contact with that thing and personally participate in the practice of changing it before they can obtain a sensual perception and thereby recognize the essence of that

thing. All authentic knowledge originates from direct experience; only by personally participating in the practice of production, class struggle, and scientific experiment can one become really knowledgeable. But no one individual by himself, even including an individual responsible for leadership work, can practice everything directly. His perception and knowledge must come mostly from indirect experience, which actually is the direct experience of other people. A leader must obtain raw material from among the masses in order that his perception may be correct. Mao Zedong said many times that, insofar as the formulation of line, principles, and policies and measures is concerned, the leading organ is but a processing plant, to which the raw materials must come from the vast ranks of the masses. Without having quantitatively sufficient and qualitatively adequate raw materials, but [instead] solving problems by relying on partial or untrue data, it is impossible to formulate a good line, principles and policies and measures. There is one view which holds that what a leader obtains from among the masses is merely sensual perception. Such a view is not very accurate. In reality, among the perceptions the masses obtain from practice are both sensual perception and rational perception. But the opinions of the masses are often dissipated and unsystematic, because the tasks in which the masses directly participate are always specific and partial; from the point of view of the whole situation, their opinions are often partial, and among them there are erroneous elements. This means that the leading organ and its responsible person must sort them out, analyze them and generalize them, and thereby turn such dissipated and unsystematic opinions into concentrated and systematic opinions. Without this processing effort on the part of the leader, it is impossible to have comprehensive and accurate perception. Any work may lead to mistakes; a leader's perception may also lead to mistakes. Under ordinary circumstances, only a very few of the plans and programs, policies, and measures formulated by the leading organ completely tally with actual conditions. For this reason, a leader's opinion must return to the masses to be tested by the practice of the masses. By thus continually studying the practice of the masses, continually listening to the opinions of the masses, and absorbing nutrients from among the masses, it will then be possible [for the leader] to make fewer mistakes, to discover and correct mistakes in time, and to make his perception more correct each time than the previous one.

We can see from all this that the leadership method and thinking method of starting from the masses and returning to the masses as proposed by Comrade Mao Zedong is to concretely regard that perception originates from practice as that perception originates from the masses; to concretely regard the indefinite circulatory process, whereby sensual perception is elevated to rational perception and rational perception returns to practice, as the indefinite circulatory process of having such perceptions concentrated from among the masses and having them returned to the masses to be insisted upon by them; to concretely regard practice, which is the only criterion for testing truth, as the practice of the masses of the people; and to sum up the realization of the task of understanding the world and changing the world in terms of relying on the masses, mobilizing the masses, and following the mass line. This effort of organically uniting perception and practice on the basis of the mass line has indeed resulted in the enrichment and development of the Marxist theory of knowledge.

The fact that the Sixth Plenary Session of the 11th Party Central Committee decided to affirm anew the leadership method and thinking method of starting

from the masses and returning to the masses is of great significance. Today, conditions in our party have undergone considerable changes, compared to those prior to the liberation of the country. Our party has become the party in power and has assumed the leading position in all work of the state. The position of being the party in power makes it possible for us to better follow the mass line and realize the correct unity between the leaders and the masses. However, because of the existence of old social influences and forces of habit, some of our comrades are liable to nurture sentiments of arrogance and complacency as well as a bureaucratic disposition, to relish standing above the masses and giving orders, to refrain from holding discussions with the masses when they encounter problems, and thereby to incur the dangers of deviating from reality and deviating from the masses. In the case of some comrades, it is not that they do not wish to do their work well but, because they think of themselves as leaders, and hence as always smarter than the masses, and therefore do not feel like learning from the masses, they fail to perceive new things as a result. This makes the solutions they provide irrelevant to reality, and hence they cannot do their work well. We have already seen how the subjective mistakes by leading cadres in deviating from reality and deviating from the masses have brought serious losses to the socialist cause. All of this illustrates that there is a need for us to carry out a restudy of, and reeducation on, the Marxist theory of knowledge and the mass line through a study of the Resolution of the Sixth Plenary Session of the 11th Party Central Committee.

Since the Third Plenary Session of the 11th Party Central Committee, the Party Central Committee has restored and adhered to the unity of the Marxist theory of knowledge and the mass line. The implementation of the various forms of the production responsibility system in agriculture, through seeking truth from facts, and the unfolding development of agriculture are the very rich fruits resulting from following such a thinking and working method. Our party has already established a correct path of construction of socialist modernization befitting our national conditions. Although this path needs to be continually strengthened and developed, and although many difficulties still lie ahead of us, as long as we earnestly change our thinking methods and working methods, we are bound to be able to perceive and solve the new problems in the path of our advancement, correctly sum up new experiences in the practice of the masses, and cause our socialist construction enterprises to obtain overall, smooth development.

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PARTY AND STATE

BASING POLICY ON NATIONAL CHARACTERISTICS URGED

Beijing LIAOWANG [LOOKOUT] in Chinese No 4, 20 Jun 81 p 15

[Article by editor of the special column "National Conditions and Strategy": "From the state of Our Nation to Our Strategy"]

[Text] To study the strategy of our economic and social development by proceeding from China's national characteristics has become an issue of general concern among our people.

One of the fundamental tenets of Marxism is that everything proceeds from reality to seek truth from facts. By acting according to this basic principle, we can find the objective law of the development of things, keep our subjective desire in line with the objective reality, and gain the desired results. Otherwise, we will run into difficulties, take a roundabout route, and meet with setbacks.

In fighting a battle, one must know the enemy. Know the enemy and know yourself, and you can fight a hundred battles with no danger of defeat.

In treating a patient, one must know his illness. Suit the medicine to the illness, and you can cure the patient's illness with the medicine.

Similarly, in managing national affairs, one must know well the state of the nation. Finding out about the nation's situation, knowing thoroughly its history and present conditions, understanding its advantages and disadvantages, and seeing its favorable and unfavorable factors before one formulates a practical strategy for development and adopts proper methods and steps. In this way can we do what we are good at and avoid what we cannot do, give play to our superiority, follow the objective law, and help all our enterprises advance along the road of socialism.

This truth should be easily understood. However, historical experience tells us that it is not so easy to correctly recognize China's national characteristics and formulate revolutionary strategy and economic development strategy in line with China's national characteristics.

During the years of revolutionary wars, through failure on several occasions our party began to recognize China's national characteristics, rectified "leftist" mistakes, formulated a set of strategies of encircling the cities from the rural

areas and opposing armed counterrevolution by means of armed revolution, broke a new revolutionary path of our own, and won the victory of China's democratic revolution. In socialist construction, we frequently committed "leftist" mistakes and repeatedly suffered setbacks. One of the main reasons was that our strategic thinking and actions departed from China's national characteristics. It is thus clear that whether we can formulate a correct strategic policy by proceeding from China's national characteristics is a crucial issue in connection with the success and failure of our revolution and construction. All revolutionaries and those who are concerned about the future and destiny of China should pay great attention to and study China's national characteristics, and strive to seek the strategy of development for the socialist modernization of our country.

What are China's national characteristics? To put it briefly, China is a big country with a large population, a poor foundation to start with, and low standards. Moreover, ours is an economically and culturally backward big country, we started with a very poor foundation; our natural resources and manpower are very abundant, but the level of social productivity is very low, so that our development is very much out of balance. Ours is a country of one billion people including 800 million peasants, and our agriculture based mainly on manual labor constitutes a very great proportion of our national economy. Ours was once an ancient feudal country with a long history, and the influence of feudalist thinking and of the force of habit in small-scale production still remains very deep-rooted, and so on and so forth. These are China's basic national characteristics, wherein also lie our fundamental difficulties. These basic national characteristics determined that our socialist modernization would be of a protracted and arduous nature, and that our modernization could be carried out step by step and in stages. Proceeding from China's basic national characteristics, we must take into consideration our strategic goal, focal points, steps and measures for advancement and work out a set of positive but also cautious strategies and tactics for advancement. Of course, in doing this we must also take into consideration many other factors, and study not only our basic national characteristics but also the actual conditions in many fields, such as in politics, economy, culture, history, geography, nationalities, population, products, climate, soil, technology, administration as well as various social relations and contradictions, etc. Only by doing this can we build our development strategy on a solid foundation, and make a full appraisal of and practical preparations for all difficulties and problems which we may possibly encounter.

In the past, in formulating the strategy of development we frequently committed "leftist" mistakes of impatience for success, impetuosity and "getting quick results". This was not only due to the lack of a clear understanding of the national characteristics of our country but also, what is more important, due to the fact that this persistent "leftist" ailment had its deep-rooted historical social background. As everybody knows, ours is a country where the petty-bourgeoisie is like a boundless ocean. The petty-bourgeoisie, composed mainly of small producers, on the one hand has the revolutionary zeal for making an immediate change in the status quo and, on the other hand, due to its backward methods of production of small producers, cannot but become narrow minded and shortsighted. They lack patience and tenacity for carrying out protracted and arduous revolution and construction, and always hope to change quickly the backward state of national economy without making long and hard efforts. When

circumstances are favorable, they forget themselves and become very arrogant; but when difficulties occur, they feel pessimistic and disheartened; and when there is a turn in the course of events, they hesitate and remain undecided. This is the typical expression of the weakness and vacillation of the petty-bourgeoisie. The imperviousness in the speed of construction, from which some people erred in the past, and the doubt, vacillation and indifference which some people have expressed at present towards socialist modernization are both the reflection of this sort of peculiar mentality. When we study our national characteristics and formulate our strategy, we must keep in mind fully the weakness and vacillation of the petty-bourgeoisie, and should never be disturbed by such mentality and repeat our past "leftist" mistakes.

At present, a very encouraging scene has appeared in the political and economic situation of our country. After the Third Plenary Session of the Eleventh Central Committee, the Party Central Committee has profoundly analyzed China's national characteristics and formulated a series of strategies, tactics and policies for carrying out the socialist modernization of our country. Our comrades in all lines of trade are extremely interested in the analysis and study of China's national characteristics, and are further formulating and perfecting our strategy of development for various construction projects. Facing this situation, our journal aspires to survey as far as possible the national conditions and strategy of our country. In the initial issue of the "LIAOWANG" journal we published an article "Should It Be a Protracted War Or a War of Quick Decision?" to express this aspiration of ours. Now we have formally started a special column "National Conditions and Strategy" to further provide our readers with spaces in our journal to study China's national characteristics and probe into our strategy. We hope that our political leaders, economic experts, scientists, leading cadres of all levels and all readers will survey our national characteristics and seek our strategy of development.

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PARTY AND STATE

WARNING AGAINST RELIGIOUS INFILTRATION OF PARTY RANKS

Fuzhou FUJIAN RIBAO in Chinese 23 Oct 81 p 3

[Article by Ye Shuangyu [5509 7175 3842]: "Party Members Must Consciously Resist the Influence of Religious Ideas"]

[Text] The policy on freedom of religious belief is a consistent policy of our party. We still wish to continue to cleanse leftist influence and correctly adhere to, and realize, our party's religious policy. But what merits our attention is that at present, in some localities of our province, some religious activities have already exceeded the limits permitted by law, and have even begun to infiltrate into our party and Communist Youth Corps and to recruit followers among our party and corps members. This problem is bound to arouse considerable attention on our part. Every Communist Party member and Communist Youth Corps member should especially consciously resist the influence of religious ideas.

As an ideology, religion has its historical roots of long standing. It comes into being in situations of backward productive forces, lack of scientific and technological development, and man's benighted, ignorant state with respect to natural phenomena and social phenomena. Through nihilist preaching, it propagates man's need to entrust his hope to "God" or a posthumous "paradise," and thereby it requires people to cultivate their physical and spiritual character and abandon all struggles and pursuits aimed at social progress and human civilization. It regards everything in the world, including man himself, as a creation of "God" and the "deities;" its world view therefore is totally idealistic and constitutes a tool for fooling the toiling people. After a penetrating study of the essence of religion, Marx hit the nail on the head when he pointed out: "Religion is the opiate of the people."

The theoretical foundation of the CCP's guiding ideology--Marxism--is built and developed on the basis of criticizing idealism and all obsolescent and corrupt ideologies. It is the crystallization of social progress and human civilization. Marxism scientifically sums up the laws of social and historical development; it points out the road to liberation for all oppressed nations and oppressed peoples; it is the most powerful, most advanced weapon of the world's proletariat and other toiling people. The philosophical basis of Marxism and communist theory is dialectical materialism and historical materialism. This is most thoroughgoing atheism and also is the essence and core of the proletarian world

view. It is fundamentally opposed to idealistic theism, which includes religion and various feudal superstitions. The most fundamental viewpoint of dialectical materialism and historical materialism is: social existence determines man's consciousness; the masses of the people are the creators of history and the real masters of the world. Without the scientific truth of Marxist dialectical materialism and historical materialism, there would be no CCP and its correct leadership, there would be no future for the nation, and there would have been nothing like the present for China or the people. The great cause of revival contingent upon the four modernizations which we are carrying out at present is like the struggle for the victory of the new democratic revolution; it requires the guidance of Marxism-Leninism and Mao Zedong Thought, and it is where the basic interest of all the people lies. The most thoroughgoing atheism--dialectical materialism and historical materialism--has been, is, and will continue to be the only world view we Communists have.

Adherence to atheism, opposition to theism, and elimination of feudal superstitions are determined by our party character. A communist and a Communist Youth Corps member shall not believe in any religion or join any religion. This is the party's most basic requirement for every party member, and also the organization's most basic requirement for every corps member. If a communist or a CYC member believed in or joined a religion, that would in essence imply that he has abandoned the Marxist world religion, that would in essence imply that he has abandoned the Marxist world view, and that would in essence mean that he has forfeited his elementary qualification as a party member or a corps member. Hence, that is absolutely impermissible. As for those very few party members and corps members who have joined a religion or who participate in church activities, we must carry out patient education and penetrating, careful work by asking them to withdraw from their religion and renounce their religious beliefs. In the case of those who stubbornly refuse to withdraw, we must ask them to withdraw from the party and the corps. But our work must be careful, and we must guard against a simplistic approach.

Some say, "The Constitution provides that citizens enjoy freedom of religious belief. Party members are also citizens, so they too enjoy such freedom." As regards this point, not only it cannot be taken as the basis for a party or corps member to believe in a religion, but it serves precisely to illustrate that those who hold such a view lack a due, and hence most basic, understanding of the character of the CCP and the CYC, their guiding ideology, their fundamental tasks, and their organizational background. Party and corps members are, of course, citizens, but as we cannot call all citizens party or corps members, there is after all an important distinction between the two. In particular, once one becomes a communist, one can still less confuse oneself with an ordinary member of the common people. Engels said: A communist is called a practicing atheist. As has been mentioned above, CCP members and CYC members must believe in Marxism, embrace a materialist world view, and take the realization of communism as the ultimate destination of their struggle. They make up the most advanced and most enlightened segment of the proletariats and youth who by their own exemplary conduct can guide the vast ranks of the masses forward. Insofar as the question of beliefs is concerned, not only may they not believe in any religion but they must take the propagation of atheism as their bounden duty.

In view of religion's long standing, mass character, national character, and complicated character, our party and government have formulated and adhered to the fundamental policy of freedom of religious beliefs and also have provided regulations that permit legitimate religious activities, that crack down on and eliminate illegal religious activities, and that specify that religion shall not interfere in politics and education, that no one shall seek to impart religious ideas to youths and children not yet of age, and that [no religious activity] shall hamper production or impede social order, and so forth. These policies and regulations demonstrate that our party believes in the masses, respects history, and proceeds from reality. Just like other correct policies, religious policies cannot overtake the stage of historical development by deviating from the consciousness of the masses. But no one can say, on the basis of this, that our party has changed its understanding of the essence of religion or that it has abandoned its struggle against religious ideas. In particular, since our province has started to apply special policies and open up to the outside world, overseas religious forces have intensified their efforts to infiltrate our ranks and have gradually penetrated into the interior, establishing contacts, gathering intelligence, and engaging in illegal activities. We can ill afford to forfeit our vigilance or forgo our struggle against them.

Each of us communists and CYC members must steadfastly establish a communist world view and lofty ideals, adhere to materialism and atheism, consciously resist the influence of religious ideas, unite with those patriotic personalities in religious circles, and isolate and crack down on the reactionary elements who engage in illegal sabotage activities under the religious cloak, so that we can maintain our stability and unity and promote the construction of our four modernizations.

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PARTY AND STATE

EDUCATION BUREAU CHIEF ADDRESSES PEOPLE'S CONGRESS ON POLITICAL EDUCATION

Xian SHAANXI RIBAO in Chinese 2 Nov 81 p 1

[Article: "Strengthen Ideological and Political Education in Institutions of Higher Learning"]

[Text] On the morning of 30 October, Zhang Shuren [1728 2885 0086], director of the Shaanxi Provincial Bureau of Higher Education, delivered a report on the work of ideological and political education carried out by the institutions of higher learning to the 11th session of the standing committee of the Shaanxi Provincial People's Congress, and pointed out: We must change the state of disarray and weakness that exists in the leadership, and must consider this as a matter of prime importance to the strengthening of the work of school ideological and political education at present. The laissez-faire tendency must be properly criticized, and should not be allowed to continue. Countering it with a timid, compromising and passive attitude at the expense of principle will only lead to a situation of ideological confusion in which what is right cannot be distinguished from what is wrong.

After commenting on remarkable achievements in consolidating and restoring the institutions of higher learning and in implementing the "eight-character policy," Zhang Shuren said: The work of ideological and political education for the institutions of higher learning is being carried out under the leadership of the Shaanxi Provincial Party Committee, its scientific education departments and school party committees. The bureau of higher education and the administration of schools are operating under the unified leadership of party committees. Over the years, they have concentrated on grasping the following tasks: 1) they have educated students in the current situation and the party's line, principles and policies; 2) they have persisted in teaching students Marxist-Leninist theory; 3) they have actively developed the massive ideological education campaign to build socialist spiritual civilization; 4) they have devoted themselves to strengthening the functions of party and CYL organizations composed of students as well as student governments, to teaching their members to act as models among the masses, and to developing a variety of healthy recreational activities catering to the special needs of students; 5) positive measures have been taken to help some colleges properly handle their problems.

Zhang Shuren said: At present, the main trend of thought among the students is good. They love their motherland, while looking forward to serving the four modernizations program. They have expressed support for the line, principles and policies adopted

since the Third Plenum, deeply appreciating the current situation of stability and unity. There are a growing number of students who want to become red and expert, to do everything in a positive way, to join the party and CYL, and to vie for the honor of three-good students. These students have demonstrated a strong desire to acquire knowledge, work and study hard. They have been very active on the ideological front, daring to think, and working hard to gain new knowledge. In short, our schools' achievements in ideological and political education are remarkable; the overwhelming majority of comrades are good. But we must clearly understand that many erroneous social trends of thought including the bourgeois laissez-faire tendency have made their influence felt in our schools. A small number of students have exhibited shaky faith in our party as well as a mistrust of Marxism-Leninism and Mao Zedong Thought and the socialist system. Some even have expressed sympathy and support for the bourgeois laissez-faire tendency in society. Some under the serious influence of individualism and anarchism have attempted to break away from the leadership of the party. Some, intoxicated by the bourgeois academic ways of thinking and bourgeois ideas on literature and art, have come to regard the bourgeois viewpoints as something to be treasured. An indecent idea of "enjoying life in good time" is growing among some students who envy and cherish the bourgeois ways of life. Zhang Shuren said: There are complicated historical and social factors which have caused such problems. But they are mainly the results of the 10-year turmoil. At the same time, the influx of bourgeois ideologies from abroad and the growth of the bourgeois laissez-faire tendency are also responsible for the growth of such problems. But what deserves our particular attention is the state of disarray and weakness that exists in our leadership whose weaknesses are mainly reflected in its inability to carry out necessary criticism or appropriate struggle against some misleading statements and misdeeds which are inconsistent with the four basic principles, and in its passive attitude toward work.

Zhang Shuren said: The institutions of higher learning are places where politically conscious and professionally competent personnel for building socialism are trained. Ideological and political education is an essential part of school education. Its basic task is to educate vast numbers of students in the Marxist world outlook and communist morality, to help them resist the influences of bourgeois and remnant feudal ideologies, to overcome erroneous tendencies, and to carry forward the pioneering spirit of hard struggle for the development of the socialist modernization program. At present, we must concentrate on strengthening education in ideological and political work in the following ways: 1) the "Resolution of the Sixth Plenum" must be used as a weapon to strengthen education in upholding the four basic principles; 2) education in Marxist-Leninist theory must be improved and strengthened; 3) education emphasizing physical labor must be strengthened; 4) education in school discipline must be improved.

Zhang Shuren said: A political conscious and professionally competent contingent for ideological and political work must be established with the aim of strengthening school ideological and political education. From now on, we must do a good job of training additional political work cadres and improving their quality. At the same time, we must effectively strengthen our leadership. The bureau of higher education must concentrate on grasping administrative work well, while teachers must set an example by their good conduct, and convey to students not only book knowledge but also examples of citizenship. Leadership at all levels must take the lead in doing ideological and political work well.

Zhang Shuren said: training politically conscious and professionally competent personnel is the concern of the entire party and society. I hope that the theoretical, literary, artistic and journalistic circles, publication enterprises, CYL, trade unions, and women's federations will share the concern and give support for the program aimed at offering students good ideological and political education.

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MILITARY AND PUBLIC SECURITY

MAO ZEDONG'S STRATEGIC DIRECTION OF WAR REVIEWED

Shanghai FUDAN XUEBAO [FUDAN JOURNAL] in Chinese No 5, 1981 pp 2-9

[Article by Yu Zidao [7411 1311 6670]: "Comrade Mao Zedong and Changes in the Party's Military Strategy--A Study of the 'Resolution On Certain Questions in the History of Our Party Since the Founding of the PRC'"]

[Excerpts] The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" points out that, in military affairs, Comrade Mao Zedong's extremely brilliant contribution was that he "expounded the thesis that changes in military strategy must be carried out correctly in line with the changes in the balance of forces between the enemy and ourselves and with the course of development of the war." At every critical juncture in strategy change that our party was confronted with, Comrade Mao Zedong persisted in applying the materialist dialectical method to the war and, together with Zhu De, Zhou Enlai, and other proletarian revolutionaries of the older generation, scientifically observed and studied each period in the war and decided what were the prime factors in the course of the war and, with the foresight of Marxism and a high degree of insight, pointed out the direction in which the war was developing, put forward new strategic tasks, marshalled all his forces, and changed the strategy. His excellence in the art of exercising war command was unparalleled in China's history and was also extremely rare in the world history of warfare. The history of the development of our army's strategy fully proves that Comrade Mao Zedong fully deserves to be called a great proletarian strategist.

I

In the period of the great revolution, our party played the leading role in many aspects of the revolution. However, at that time our party was still in its infancy, and it lacked a profound understanding of our country's national conditions and sociohistorical features and it lacked a unified comprehension of Marxism-Leninism with regard to the practice of China's revolution, and therefore it did not understand the importance of immediately preparing for war and organizing the armed forces. Afterward Comrad Mao Zedong pointed out: "At that time we did not understand the extreme importance of armed struggle in China, and did not conscientiously prepare for war and organize the armed forces and did not lay stress on the study of military strategy and tactics."

After the defeat of the first revolutionary civil war, in accordance with the party Central Committee's general policy of armed resistance against the Kuomintang, our

our party heroically launched the Nanchang, Autumn Harvest, and Guangzhou uprisings and many other regional uprisings. In the course of these uprisings, our party, with Comrade Mao Zedong as its principal representative, in practice began to shift the focus of the revolution from the cities to the countryside and to establish revolutionary bases, thereby beginning a new period in China's revolutionary war. The course of history presented to the party a series of problems in military strategy, and if the party had not exercised correct strategical command it would not have been able to lead down the path of victory in the revolutionary war. However, some comrades within the party took the experience of armed uprising in cities by the European proletariat as an unalterable dogma, some comrades made a fetish of the experience of the Russian Civil War, and thought of applying it indiscriminately to China, and some comrades were dedicated to the northern expedition's strategy of driving straight on and capturing large cities. Because none of them understood the characteristics and laws of China's armed struggle, it was difficult for them to put forward the appropriate strategy and tactics.

In the extremely difficult process of changing strategy and creating a new strategy, Comrade Mao Zedong's contribution was the greatest. He completely got rid of that kind of bookishness that treated the experience of foreign countries as sacred and also rejected that kind of empiricism that solidified a person's own previous experience, and, according to the fundamental tenets of Marxism-Leninism and general military principles, summed up the war experience of the Red Army and made great contributions to military strategy. In May 1928, he put forward the 16-character formula for guerrilla warfare. In the spring of 1929, Comrade Mao Zedong summarized the new experiences of the various revolutionary bases as follows: "All the tactics we have obtained over the past 3 years of struggle are truly different from tactics of the past and present, in China and abroad...our tactics are guerrilla tactics. Their main points are: 'Divide the forces in order to mobilize the masses, concentrate the forces in order to deal with the enemy.' 'When the enemy advances we retreat, when the enemy halts we harass, when the enemy retreats, we pursue.' 'When the separatist regime is set up in a fixed position, we adopt the policy of advancing in waves. When pursued by a strong enemy, we adopt the policy of wheeling in a circle.' 'In a very short period of time and with very good methods, arouse a very large number of the masses.' These tactics are like casting a net: At any time we can open it and at any time we can draw it tight. We open it to win over the masses, and we draw it tight to deal with the enemy." This set of strategy and tactics was the essence of the experiences of the Chinese Red Army in the initial stage of the war, and established the preliminary basis for our army's strategic thought and war policy. At that time it became the most brilliant representative of the Red Army's thinking on war and the Red Army followed its example in other bases. For example, when the Eyuwan base was being established the slogan "Study Jinggangshan's methods" was raised, and the "seven principles of guerrilla tactics" formulated then by the Red Army, and the "key to guerrilla warfare" formulated later in the Sichuan-Shaanxi period, were both inspired and influenced by the 16-character formula of the Jinggangshan base, which was led by Comrade Mao Zedong, and were formed on the basis of summing up the experiences of actual warfare.

II

In the earlier stage of the agrarian revolutionary war [1927-37], guerrilla warfare was paramount; in its later stage, conventional warfare was paramount. Comrade Mao

Zedong's brilliant contribution was not only that he creatively put forward a complete set of strategies and tactics for guerrilla warfare, but also that he displayed adeptness in grasping the development of war situations and at the right moment led our army from being a guerrilla army to being a conventional army and from waging guerrilla warfare to waging conventional warfare. Through guerrilla warfare from the second half of 1927 to the first half of 1930, the workers' and peasants' Red Army and its rural bases were considerably developed throughout the country, and our army began to be organized into conventional armies able to engage in mobile operations at any time and able to maneuver and obtain the support of the masses of people in a vast battlefield. Comrade Mao Zedong, early on, recognized this new strategic situation and led the central Red Army in carrying out a change in strategy. In June 1930, the 1st Army of the Red Army was formally organized with comrades Mao Zedong and Zhu De as its leaders. In August the 1st Army at one stroke annihilated four enemy regiments at the cities of Jiyang and Wenjia in Hunan Province, setting a brilliant example of battle in the Red Army's history of mobile warfare and obtaining our army's first major victory after its change in strategy. The Front Committee of the 1st Front Army of the Red Army, with Comrade Mao Zedong as head of the committee, not long afterward with a great deal of patience persuaded the great majority of the cadres of the correctness of this change in strategy, resisted Li Lisan's putschism, overcame the leftist tendency in the change of strategy, and adopted the correct policy of consolidating and developing the bases in Jiangxi Province, withdrawing the army from Changsha and swinging it back to Jiangxi, thereby developing the revolutionary situation in southwestern Jiangxi. From December of the same year to September of the next year, the central Red Army commanded by comrades Mao Zedong and Zhu De successfully shattered Chiang Kai-shek's third campaign of "encirclement and annihilation." The flowers of victories in revolutionary warfare bore the splendid fruit of strategic thought. "When the first campaign against 'encirclement and annihilation' was conducted, the principle of 'luring the enemy to penetrate deep' was put forward and successfully carried out. After the enemy was defeated in his third campaign of 'encirclement and annihilation,' a complete set of operational principles for the Red Army was formulated."

However, this change in the strategy of the Red Army was not easy to effect and it was not without complications. Comrade Mao Zedong said: It "encountered great difficulties." This was because some leading cadres in the party and army, with regard to the changed enemy situation and our changed mission in the war, underestimated or overestimated them and made rightist or "leftist" mistakes in their strategic guidance. Some comrades in the bases and in the Red Army were dedicated to being guerrillas and were unwilling to change over to conventional warfare. With regard to this localism and guerrilaism, only after Comrade Mao Zedong had conducted the difficult work of persuasion and education did the strategy gradually begin to change. From the left, Wang Ming's "leftist" opportunism obstructed this change in strategy. He completely misunderstood the theory and practice of China's revolutionary war and only knew how to copy mechanically the experience of foreign countries; this was sheer military dogmatism. He denied the premise that the enemy was strong and we were weak, demanded that we conduct positional warfare and conventional warfare with sole reliance on main-strength forces, and denied that guerrilla warfare and mobile warfare of a guerrilla nature were the principal forms of warfare for the Red Army. This "leftist" mistake created an extremely serious crisis in the Red Army's war. "Only after the long period of 3 years (before the Zunyi conference), during which we paid the price of great sacrifices, were things

put right after bloody lessons." The Zunyi conference reaffirmed what Comrade Mao Zedong had consistently been advocating, viz, the guiding through in the strategy of active defense, the strategic policies of strategic retreat, strategic counter-attack, concentration of military forces, mobile warfare, battles of quick decision, battles of annihilation, etc. From the 16-character formula of Jinggangshan to the Zunyi conference's final resolution on the campaign against the fifth "encirclement and annihilation," our army's strategic policy went through a complicated historical process shaped like a zigzag, and in its positive and negative aspects illustrated the wisdom of Comrade Mao Zedong's leadership of military strategy.

III

With the end of the agrarian revolutionary war and the beginning of the war of resistance against Japan and of national liberation, the Chinese revolutionary war entered a new strategic period. What changes should the party make in military strategy? To this question, Comrade Mao Zedong provided the answer many times around the time of the outbreak of the war of resistance against Japan. At the Sixth Plenary Session of the Sixth CCP Central Committee, representing the conclusion of the central authorities on the questions of war and strategy, he said: "During the course of the war of resistance against Japan, our party's military mission is roughly divided into two strategic periods. The early period (comprising the two phases of strategic defense and strategic stalemate) will principally be one of guerrilla warfare; the later period (the strategic counterattack phase) will mainly be one of conventional warfare." This clearly showed in highly strategic terms that, in its war of resistance against Japan, our army had to make two changes in strategy: one, the change from conventional warfare in the civil war to guerrilla warfare in the war of resistance against Japan; the other the change from guerrilla warfare in the war of resistance against Japan to conventional warfare in that war.

It was obvious that the war of resistance against Japan would be different from the civil war. The enemy was Japanese imperialism. In numbers, scale, service arms and organizations, weapons and equipment, it was stronger than our army, but it was engaged in an aggressive war. Our ally was the former enemy, the Kuomintang, which, although it took part in the resist-Japan camp, in practice it engaged in a one-sided line in the war of resistance against aggression, and it harbored enmity against our army. Owing to the party's leadership, our army put into effect correct policies, closely integrated with the masses, and carried out a true people's war. Our army's battlefields were behind the enemy lines in extensive regions of north China and central China, where there are large areas of mountainous terrain, vast plains, and many rivers, lakes, and streams. Comrade Mao Zedong pointed out: "Under these special conditions, we had to change from being a conventional army and fighting a mobile war to being a guerrilla army (that is, in its use of dispersion and not in its organization or discipline and fighting a guerrilla war before we could conform to the enemy's situation and our mission."

If we say that the key to changing from guerrilla warfare to mobile warfare during the 10 years of civil war was in how we regarded the great strategic effects of mobile warfare of the guerrilla type, then the key to the strategic change now as how we regarded the strategic position of guerrilla warfare in the war of resistance against Japan. Comrade Mao Zedong firmly grasped this fundamental point and led our army's cadres, so that the strategic position of guerrilla

warfare was determined in the army's guiding thought and operational actions, and this change was completely carried out in the whole army. After Comrade Mao Zedong had comprehensively analyzed the basic conditions of the two sides in the Sino-Japanese war, he put forward in extremely unequivocal language the strategic position of guerrilla warfare: Guerrilla warfare in resistance against Japan will mainly not be a conventional army's campaigns and operations coordinated on interior lines, but independent operations on exterior lines; it will not be carried out on a small scale, but on a large scale over a vast area; it will be protracted and not of short duration; and it will not be stopped and finished at the guerrilla warfare stage, but, after the necessary conditions are provided, it will develop into conventional warfare. Because of all this, "consequently, China's anti-Japanese guerrilla war will race out from the confines of tactics and knock on the door of strategy, demanding that in the problems of guerrilla warfare more observations and studies be made from the viewpoint of strategy." Comrade Mao Zedong's "Strategic Problems of Anti-Japanese Guerrilla War," published in May 1938, and other famous works of his were directed against the mistaken tendency inside and outside the party to underestimate guerrilla warfare. It provided a profound clarification with regard to theory of the strategic position of guerrilla warfare, and put forward a six-point strategic program for guerrilla warfare. In November of the same year, at the Sixth Plenary Session of the Sixth Central Committee, he also demonstrated, from the history of the party's development of its military strategy, the great and profound significance of the changes in the anti-Japanese guerrilla war. All of this played an extremely large role in guiding the party to complete its change in strategy.

Our army also went through a sharp struggle externally and internally and through all sorts of complications before this change in strategy was achieved. Comrade Mao Zedong's historical exploits were prominently displayed in his adroit control of the direction of the war, guiding our army to bypass hidden reefs until it reached the far shore of victory. From the civil war to the anti-Japanese guerrilla war, because it was a change for a comparatively high-level, concentrated conventional war to a comparatively elementary, dispersed guerrilla war, a kind of retrogressive phenomenon was manifested; therefore, many leading cadres in our army harbored doubts about this change. In addition, some comrades were confused by certain superficial phenomena of the Kuomintang, thinking that its several million-strong armed forces could defeat the Japanese aggressors. So, "some comrades of our party committed a mistake,...advocating as primary, mobile warfare with large formations, and underestimating guerrilla warfare." They relied on the Kuomintang, and did not dare to go all out to mobilize the masses and to greatly expand our army and establish bases in the enemy's rear. And outside our army, the Kuomintang was plotting to gain control over us, dissolve us, and "murder us with a borrowed knife," i.e., make use of others to get rid of us. "This change has an extremely significant bearing on the continuance, development, and victory in the entire war of resistance against Japan, and on the future of the Chinese Communist Party." If we had not, in accordance with the correct line of the party Central Committee headed by Comrade Mao Zedong, adhered to the principle of "maintaining independence and keeping the initiative in our own hands within the united front" and the strategic policy of guerrilla warfare, and defeated the sabotage of the Kuomintang and the obstruction of Wang Ming's capitulationism, the victorious development of the war of resistance against Japan would have been impossible.

In the last stage of the war of resistance against Japan and the first stage of the war of liberation, the Chinese revolutionary warfare, under new conditions, changed from guerrilla warfare to conventional warfare. Comrade Mao Zedong had predicted this change as early as in the beginning stage of the war of resistance against Japan and had made preparations for it for a long time. He had said that after the guerrilla units engaged in guerrilla warfare had fulfilled the two conditions of enlarging their numbers and improving their quality, they would change into conventional units engaged in mobile warfare, and our army, after going on the strategic offensive with mobile warfare being primary and guerrilla warfare and positional warfare being supplemental, in the end defeated the Japanese aggressors. Although the final counteroffensive in the war of resistance against Japan, which came afterward, did not take the form of large-scale mobile warfare, the general course of the war developed as Comrade Mao Zedong had predicted.

When victory was near in the war of resistance against Japan, the people's armed forces had grown to over 1.2 million men, organized into conventional military formations of a considerable number, and the political and military qualities of the armed forces had been greatly improved. The population in the liberated areas was close to 100 million. Conditions had already been prepared for the change from guerrilla warfare to conventional warfare. With the end of the war of resistance, the party Central Committee and Comrade Mao Zedong, while leading the party in working hard for peace and democracy within the country, actively made preparations to resist the Kuomintang in all-out civil war. In accordance with instructions from the central authorities, our army readjusted its strategic deployment, putting into effect the strategic policy of "developing in the north" and "defending in the south," and "developing in northeast China, consolidating in north China, and holding fast in central China." which put it in the position of having the initiative strategically. At the same time, the army maintained a "tit-for-tat" policy with regard to the invasion by the Kuomintang army and resolutely mounted counterattacks. The implementation of this series of correct policies allowed our army to smoothly effect the strategic change from the war of resistance against Japan to the war of liberation.

The war of liberation began under conditions in which the enemy was strong and we were weak. Our army adopted the strategic policy of active defense with mobile warfare as its principal form. Comrade Mao Zedong pointed out: "The method of fighting so as to defeat Chiang Kai-shek will generally be mobile warfare." "In the period of resistance against Japan, our army is primarily dispersed troops to wage guerrilla warfare and supplementally concentrated troops to wage mobile warfare. Now, in the period of civil war, the situation has changed and the method of fighting should also change. Our army should primarily concentrate troops to wage mobile warfare and supplementally disperse troops to wage guerrilla warfare." According to the policy of active defense and mobile warfare, our army did not adopt positional defense in which the forces are divided for frontal defense, but took the initiative to avoid decisive battles in which we were at a disadvantage, lured the enemy in deep, gradually concentrated our troops and then with our mobility annihilated the enemy. Our army applied the methods of advancing and retreating in big strides, "mushroom" tactics, besieging a city to annihilate the enemy relief force, etc, winning many brilliant victories in mobile warfare.

Afterwards, in the middle period and especially in the later period of the war of liberation, our army's operations developed into large-scale mobile warfare, including the storming of heavily fortified cities.

From the Autumn Uprising to the victory in the people's war of liberation, at every turn of events in the Chinese revolutionary war Comrade Mao Zedong was always good at summing up the combat experiences of the revolutionary army men and civilians; he was good at gathering together the correct ideas of Zhou Enlai, Liu Shaoqi, Zhu De, Peng Dehuai, Chen Yi, He Long, and other revolutionaries of the older generation; and he showed great foresight in leading our army to victory by making changes in strategy. The wisdom of his direction of strategy was proven again and again in the history of the revolutionary war. That he could correctly grasp the development of our party's military strategy in this way was because, from beginning to end, he persisted in the materialism and dialectics of Marxism with regard to the problems of guiding the war, and because he day-by-day combined Marxism-Leninism with the practice of the Chinese revolutionary war. In leading the revolutionary war, Comrade Mao Zedong always advocated the unity of theory and practice, the unity of the subjective and the objective, making this the fundamental ideological principle in studying strategic and tactical problems. He held that in studying the laws guiding warfare, we "should focus attention on their characteristics and their development." Our military command should be: "Familiarize ourselves with all aspects of the enemy's situation and ours, seek out their operational laws, and apply these laws in our own operations." This was precisely the basis for Comrade Mao Zedong's invincible command of military strategy.

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WAYS TO IMPROVE IDEOLOGICAL WORK AMONG STUDENTS DISCUSSED

Beijing GUANGMING RIBAO in Chinese 17 Oct 81 p 2

[Article by Zhu Jiusi [2612 0046 1835], secretary, party committee, Central China Engineering College: "A Discussion on How To Achieve Good Results in Ideological Political Work in Institutions of Higher Learning"]

[Text] How should institutions of higher learning go about their ideological political work in the present circumstances? From what we have learned over the past year, we need not only a proper state of mind, but also proper working methods.

In the autumn of last year, a minuscule number of students, under the influence of misguided trends of thinking, showed a tendency to break away from the leadership of the party. Although there was no sign of such a tendency in our school, there was a good deal of talk on the subject. This has led some of the political cadres to become apprehensive, to feel powerless and to fail to dedicate themselves wholeheartedly to their work. In this state of weakness and laxity, they have assumed a defensive attitude instead of taking the initiative in strengthening ideological political work.

How did this mental attitude come about among the cadres? The chief reason was their inability to analyze and to assess correctly the state of mind among the students and to make a distinction between the mainstream and the tributaries. Although we should not overlook certain problems existing in the minds of a large number of students, we will find, upon analysis, that the mainstream remains rather healthy. Once this is understood, we can be confident that our work is based on the masses, that it has their support, and that we may pursue our ideological political work with courage.

In order to correct this problem and to overcome this state of laxity, we mobilized political cadres to go among the students and to make a detailed study of their attitudes. Facts which have come to light indicate that the overwhelming majority of the students have a deep love of their country, that they fully support the line, policies and principles of the party since the Third Plenary Session of the 11th CCP Central Committee, that they stand behind the Central Committee's efforts to put down rebellion and to restore order, to undo the harm done by the "Great Cultural Revolution" and the leftist errors previous to that, that it is their hope that there will emerge a stable and united political situation and a more peaceful atmosphere for learning, and that they may contribute to the

work of national construction. Naturally, there are those among the students who tend to give no heed to political matters and who do not attach sufficient importance to Marxism and Mao Zedong Thought. That is due to the fact that they were confused by the heretical interpretation of Marxism made by the "gang of four" and that they have yet to truly understand the scientific truth embodied in Marxism and Mao Zedong Thought. That is an abnormal phenomenon created by the 10-year period of domestic turmoil. Although superficially there appears to be a "crisis of confidence," this phenomenon is actually the result of an insufficiency of knowledge. Some of the students who are dubious about the supremacy of socialism and who take umbrage at some of the errors committed by the party are rather susceptible to the blandishments of the capitalist liberalization trend. That is largely due to the lack of a correct analysis of our achievements and failures since the founding of the republic 32 years ago and also our failure to do a good job in educational propaganda in the past. The basic problem, therefore, is the problem of strengthening education.

When we say that the mainstream of thought of the students is good, that does not mean that we can afford to be complacent, because, in addition to the mainstream, certain problems do exist in the thinking of the students. We should therefore attach great importance to investigation and research, go about our work with courage, and strengthen ideological political education. If we stayed on the defensive and resorted to compromise as a means to avoid undesirable incidents, it is likely that what we fear would happen. Naturally, the complete solution of such problems in the realm of thinking takes a certain period of time. In particular, in order to fully appreciate the serious nature of the influence exerted by the capitalist liberalization trend of thinking on young students, it is necessary for all concerned parties throughout the nation to direct their joint efforts to waging a struggle against this misguided trend of thinking if we are to achieve the desired results in our work of ideological education.

How can we improve our ideological political work among the students at this juncture? It is our belief that we should implement our policy of persuasion instead of adopting simplistic methods. To properly implement the policy of persuasion, attention should be paid to the following points:

First, persuasion should go hand in hand with control. A line must be clearly drawn between the two. On the one hand, a distinction should be made between "persuasion" and "suppression." Persuasion means the clarification of opposing views and the exercise of guidance. We must neither "stem" the flow of a stream nor permit it to run its course. We must have the courage to criticize and to educate when dealing with misguided thinking. To criticize and to educate is to exercise guidance and not suppression. Of course, in criticizing and educating, we must adhere to actual facts and seek to convince by resorting to reason and by adopting the proper methods. However, we must have the courage to take issue and not be afraid to criticize and to educate for fear of being guilty of "suppression." On the other hand, a distinction must be made between problems of an ideological nature and problems of a nonideological nature. In dealing with problems of an ideological nature, we must give full play to democracy, permit people to speak their minds, and promote a better understanding through the process of discussion. If a problem of an ideological nature does not lend itself to immediate solution, we must exercise patience and refrain from resorting to disciplinary

measures if the question is one involving a correct understanding of a problem. However, in matters involving the violation of school regulations and the breaking of laws such as getting into fights, damaging public property and offenses of a moral nature, it is not sufficient to resort to ideological education, but it may be necessary to enforce disciplinary measures. That is to say, efforts to persuade may be made only if the rules are observed and the system is respected. Otherwise, it would not be possible to enforce school discipline. There was a time when certain cadres in the college, mindful of the need to exercise persuasion, were reluctant to speak out against undesirable trends for fear of being labeled "ultra-leftists." They were afraid because they had failed to make a clear distinction between persuasion and control. In order to exercise proper persuasion and control, it is necessary to engage in investigation and study in depth so that the situation and the problem may be clearly understood. It is only thus that one can hit the target.

Second, we should devise some way to enable the masses to educate themselves. One effective method is to take typical examples of incidents known among the masses and to use them as points of reference for criticism and, in particular, for citation. We have always attached great importance to this method, especially during the past year. Every year we select "three-good" students for citation and "three-good" students as model soldiers. Every "4 May" we select outstanding corps members and progressive party branches for citation. We have also revived the practice of appraising the ideological standings at the end of the year and using the aggregate results to assess the degree of progress made. More important still, we also resort to praise throughout the year and make constant use of typical good incidents to launch a spirited propaganda campaign to create an intense political atmosphere in order to better shape public opinion. Second, we convene two meetings every month. Every other Sunday evening, we hold a meeting on the life of the units in the corps and a class meeting. The meetings provide an opportunity to sum up one's ideological trends and one's learning and living experiences as well as to engage in criticism and self-criticism. That is a good party tradition and a most effective method to promote self-education among the masses. As a result of the 10-year period of domestic turmoil, the presentday young people are seriously afflicted with anarchism and liberalism. That being the case, it is all the more necessary to revive this old tradition. Third, we must start a movement to encourage the masses to make a practice of singing revolutionary songs.

During the revolutionary war and the Sino-Japanese war, many young people, through the singing of revolutionary and patriotic songs, became so imbued with progressive thoughts that they joined the revolutionary ranks. If the young students' spare time is not occupied with the singing of healthy revolutionary songs, their time will be spent in undesirable activities, such as the singing of unhealthy songs and even songs of the rock and roll variety, which exert a serious corrosive effect on them. At a general meeting of the entire college in May this year, we launched a successful campaign to sing revolutionary songs and to stage criticism contests to celebrate the 60th anniversary of the founding of the party. The singing of revolutionary songs has the effect of stimulating the revolutionary spirit, stirring up the morale and altering the mental attitude of the students. We are determined to continue such activities.

Third, attention should be paid to developing key students. This is a most important method to strengthen ideological political work among the students. Since

the key students spend most of the day among their fellow students, they are best able to feel the pulse of the ideological trend. By enlisting the services of key students, it is possible to establish a channel between the leadership and the students and to nip many problems in the bud before they have become full blown. At present the development of key students has become particularly important and urgent. That is not only because the students who have entered college since 1979 are relatively young and lacking in experience in social activities and practical training and are therefore in greater need of development. More important still, the 10-year period of unrest has dealt them such a heavy blow that they are rendered incapable of judging what is right and what is wrong, so that they have cultivated the habit of following the prevailing trend regardless of its merits. In such circumstances, it has become necessary that somebody take the lead in pursuing a correct course of action so that the other students may follow. Although some students are capable of distinguishing between what is right and what is wrong, they are reluctant to stand up and speak their minds. That is why it is desirable to have key students who are not afraid to take the lead. It is my opinion, therefore, that we should regard the training of key students as a matter of major importance. In the first half of this year, a further step was taken to pursue this line of work. First, we established a political party among the students and enlisted party members and party branches in the various classes. Second, we made an in-depth survey and strengthened the training of key students according to a set plan. Furthermore, we offered key students greater assistance and better education so that they might be developed in a healthy manner in a shorter period of time.

In short, the strengthening of ideological political work among students requires that we enlist the support of the masses and that we follow the line of the masses. The number of full-time political cadres is after all limited. That is why it is so especially important to train key students and to devise ways and means for the masses to educate themselves.

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SOCIOLOGICAL, EDUCATION AND CULTURE

IMPROVEMENTS IN INNER MONGOLIA LIFE SUMMARIZED, LAUDED

Beijing GUANGMING RIBAO in Chinese 11 Nov 81 pp 1, 4

[Report: "The People of Inner Mongolia Speak Glowingly of Eight Accomplishments in the Autonomous Region: Unjust, False, and Erroneous Cases of Litigation Actively Rectified; Policy of Regional Autonomy for the Nationalities Conscientiously Carried Out; A Way Found to Vitalize the Economy; Production Responsibility System in Agriculture and Animal Husbandry Gradually Implemented, Causing Production To Embark Upon the Road to Steady Development; Policy Concerning Private Lots, Private Cattle, and Private Trees Realized; Internal Structure of Industries Readjusted; Nationality Educational Enterprises Given Greater Development; Both Purchases and Sales in Urban and Rural Markets Are Busy and the Living Standards of the People of Various Nationalities Have Been Duly Raised"]

[Text] Reporters Zhao Yongan [6392 3057 1344] and Zhang Ruisheng [1728 3843 3932] of the New China News Agency report: Cadres and masses of the nationalities in the Inner Mongolian Autonomous Region, while studying the Party Central Committee's instructions on work in Inner Mongolia, looked back at the work in the Inner Mongolian Autonomous Region since the Third Plenary Session of the 11th Party Central Committee and maintained that, in leading the people of various nationalities to resolutely carry out the line, principles, and policies of the Third Plenary Session, the party committee and people's government of the Autonomous Region have done several truly popular things and thereby have solved certain problems which had remained unsolved for many years. A prosperous scene now appears across the region, and the people of the various nationalities are all very happy.

The Party Central Committee's instructions on work in Inner Mongolia point out: "Since the Third Plenary Session of the 11th Party Central Committee, the party committee of the Inner Mongolian Autonomous Region has implemented the line, principles, and policies of the Third Plenary Session, actively rectified unjust, false, and erroneous cases of litigation, conscientiously realized the policy of regional autonomy for the nationalities and the policy on cadres, and practically rectified and strengthened leading groups at various levels. As a result, relations between the nationalities have been handled quite well, the living standards of the masses have been improved, and the people of various nationalities are relatively happy." Cadres and masses of the various nationalities in Inner Mongolia are of the opinion that these descriptions on the part of the Central

Committee entirely tally with the actual situation in Inner Mongolia. While studying and discussing these instructions, they mentioned the many accomplishments in the work in Inner Mongolia since the Third Plenary Session:

They have completely and thoroughly rectified the three great cases of injustice, that of the so-called "Ulanfu counterrevolutionary and traitorous clique," that of "the February adverse current" in Inner Mongolia, and that of "the new internal personnel clique" through which Lin Biao and the "gang of four" persecuted cadres and masses of the various nationalities. They have declared null and void the status of all those who were classified as "cattle owners" and "rich herdsmen" according to the so-called redemarcation of the classes among herdsmen of the Mongolian nationality and other minority nationalities during the "Cultural Revolution." They also have solved a batch of problems left by history, implemented this policy on behalf of several hundred thousand persons, and thereby ameliorated the relationship between the party and the masses as well as the relationship between the cadres and the masses, and enhanced the unity among the people of the various nationalities.

--They have achieved conspicuous results in implementing the policy of regional autonomy for the nationalities. With the approval of the State Council, they have once again allocated to Inner Mongolia the Hulun Boir Meng, Zhelimu Meng, Zhaowuda Meng, and the Alxa Zuogui, Alxa Youqi, and Ejne Qi, which had been taken away during the "Cultural Revolution." They have restored Inner Mongolia's original administrative divisions, restored Xin'an Meng, and established Alxa Meng. They have carried out a preliminary strengthening and consolidation of leading groups at various levels, and have especially paid attention to selecting a contingent of cadres of Mongolian nationality and other minority nationalities, thereby giving scope to the role played by cadres of minority nationalities in these leading groups at various levels.

--They have begun to find a way to revitalize the Inner Mongolian economy. Together with other party and governmental leading comrades and cadres and masses of various nationalities, Zhou Hui [0719 1920], first secretary of the party committee of the Autonomous Region, went deep into the realities to investigate and study the history and present conditions of Inner Mongolia. On the basis of the actual situation whereby the farmland, grassland, and grazing land of the region have all gradually become eroded by sand and reduced in value over the years, whereby shifting and loss of water and usable land have become increasingly serious, and whereby drought and shortages of water, the shortening of the frost-free period, wind, aridity, and freeze damage have all become more and more frequent, they proceeded from the viewpoint of restoring the ecological balance and developing major staple grains and proposed the principle of "taking forestry and stockraising as principal undertakings" and that of "diversification," advocating expanded efforts to plant trees and grass in order to develop animal husbandry. With respect to areas where sand erosion and the shifting and loss of water and usable land are serious, such as the Yik Ju Meng, the approach is to plant trees and grass just like planting crops in order to increase vegetation. As a result, the acreage devoted to the planting of trees and grass in this meng exceeded the sum total of all acreage so devoted since liberation. The conditions for production in agriculture and animal husbandry have begun to develop in a promising direction.

--They have gradually implemented diverse forms of the production responsibility system in agriculture and animal husbandry in the countryside and pastoral districts, such as "the fixing of responsibility for task assignments on the basis of individual households," "the fixing of output quotas on the basis of individual households," and "new Suluk" (a kind of production responsibility system in animal husbandry), and thereby they have effectively solved the long-standing problem of "eating from the common pot." The enthusiasm of the peasants and herdsmen for production has become enhanced, and production in agriculture and animal husbandry has begun to revive and embark upon a road of steady development. This year, abundant harvests have been reaped overall in grain, sugar, and oil production, breaking the peak records in history in every case. Even in a situation of serious natural calamities, stockraising production still achieved the best economic results in history, and there is now another group of "three-relay brigades" in the region that are succeeding in solving the problem of their livelihood.

--They have expanded and realized the policy on private plots, private cattle, and private trees. At present, the private plots of all commune members in the region generally make up 5-7 percent of the land cultivated by the production brigades. Those brigades where conditions are present allocate such private plots on the basis of 1 mu for each person, the species of private animals that commune members may develop are not subject to limitation. Generally speaking, every household enjoys from 1 to several mu of land for animal feed, grazing, and fuel forestation. In some localities, one household has from several to 10-odd mu of waste hills and barren sandpatches for planting trees and grass, where the policy of whoever plants possesses is carried out.

--They have readjusted the internal structure of industries and energetically developed agricultural, forest, and animal product processing industries centered on light and textile industries as well as amenity industries especially for minority nationalities. Meanwhile, on the basis of Inner Mongolia's mineral resources and economic capabilities, they have correspondingly developed energy resources, building materials, and mining, plus enterprises serving agriculture, forestry, animal husbandry, and light and textile industries. Since the beginning of this year, light and textile industries have continued to grow; their output value has increased by more than 12 percent over that of the corresponding period last year. Energy resources, building materials, chemical fertilizer, steel products, and similar industries have also scored new increases. Of late, the autonomous region has also negotiated and concluded more than 30 projects on economic and technical cooperation with fraternal provinces and regions, thereby taking a promising stride toward speeding up Inner Mongolia's economic construction.

--Cultural and educational enterprises, especially the education of the nationalities, have achieved greater development. During the past few years, the autonomous region has newly built three nationality institutions of higher learning; six institutions of higher learning have established Mongolian language departments and Mongolian language classes; and other institutions of higher learning have adopted certain pertinent measures to gradually complete various departments and specialties. As a result, a large contingent of minority nationality intellectuals have taken up places of work in scientific and scholarly research. The proportion of minority nationality college students has increased

somewhat, and the various localities have generally added middle and elementary schools for nationalities.

--Both purchases and sales in urban and rural markets have been busy, and the living standards of the people of various nationalities have been duly raised. The development of production has made it possible for the income of the peasants and herdsmen to increase by a wide margin. In Bayannur Meng, in the Yellow River Loop area, the average per capita income of each peasant and herdsman this year is estimated to be nearly 200 yuan, thus doubling that of 3 years ago. In certain poor districts, many commune members have built new houses, and quantities of high-class commodities demanded by the masses, and as television sets and bicycles, have conspicuously increased. The living standards of the urban population have also relatively improved. Up to the end of October 1981, individual deposits in the region's cities and towns totaled as much as 760 million yuan--an increase of 420 million yuan over the 1978 figure. Both urban and rural markets have been active. Supplies of indigenous beans and vegetables have been abundant, supplies of fresh milk and sugar have become open-ended, and the price of food grains in the collective market has generally become lower than the state-appraised purchase price. The herdsmen happily say: Our days are becoming more and more hopeful.

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POSSIBILITIES OF TAIWAN REUNIFICATION DISCUSSED

Hong Kong CHENG MING [CONTENDING] in Chinese No 10, 1 Oct 81 pp 60-62

[Article by Cai Shensan [5591 4164 0005]: "Commemorating the 1911 Revolution and the Reunification Problem"]

[Text] Starting with Commemoration of the 1911 Revolution

This year is the 70th anniversary of the brilliant "1911 Revolution" in China's modern history (1911-1981).

Both the mainland and Taiwan made early arrangements to solemnly celebrate this occasion. Gold and silver medallions commemorating the 1911 Revolution produced by the mainland were issued ahead of time in Hong Kong.

In this special place, Hong Kong, one of the political wonders over the years has been the two "National Days" scheduled in October each year that, one earlier and one later, compete with each other in staging commemorative activities. On 1 October, the founding day of the People's Republic of China's "Double 10 Festival," the rightists declare: places like the Tiaochingling Knoll are turned into a "sea of flags" bearing the "blue sky, white sun, and red earth."

Just think, each of the two sides, the left and the right, when encountering the other as a rival on its own "National Day" each year, cannot possibly make merry to its heart's fullest content. As for the whole of China, the rivalry can be still less a matter of glory.

No Chinese at home or abroad who concerns himself with the destiny of his motherland can help feeling saddened by this, and how earnestly he should hope that one day the confrontation between the "two states, two celebrations, and two flags" can be eliminated so that the great reunification of his motherland will become a reality!

This year, both sides commemorate the 70th anniversary of the 1911 Revolution simultaneously on 10 October. At any rate, this is a new beginning in "seeking common grounds."

Naturally, in view of the rivalry of long standing between the KMT and the CCP, it is difficult to imagine that through the commemorative activities this time alone the change could be so swift as to allow the two to follow the same path right away.

Yet, at this historic, crucial point, 70 years of evolution clearly reappear before us. If the KMT and the CCP as well as people on the left and the right can break through their partialities, reflect earnestly, base themselves on national interests, and pay attention to the whole situation throughout the country, then it might not be so hard for them to draw lessons and unravel the dead knot. This is really a case in which "it is all because everybody's mind has become clogged up with worries and hence can no longer think his way through, so that there is a need to restate past events to enable him to think about the future" (Sima Jian). That is to say, there is a need to sum up the past, look forward to the future, remove the clogging by worries, and help channel through everybody's way of thinking. I think we might well take such a view of the significance in commemorating the 1911 Revolution.

Historical Reflection and Realistic Understanding

In connection with the 70th anniversary of the 1911 Revolution, Taiwan held a symposium on the "founding history of the Republic of China"; many localities on the mainland conducted historical seminars on "the 70th anniversary of the 1911 Revolution"; Hong Kong likewise held an international academic conference on "Dr Sun Yat-sen and Hong Kong"....

From all this, it is obvious that exploring history and absorbing lessons therefrom are the common desire of all.

Concerning Taipei's "founding history" symposium, the CENTRAL NEWS AGENCY issued a news release on 24 August which merits our attention. That was "His Excellency Chiang's Exertion in Self-Reflection: put forward at the symposium by Ch'in Hsiao-yi, chairman of the KMT Central Committee on Party History; its text reads as follows:

"Ever since the occurrence of the 'Sad Incident in Jinan on 3 May,' His Excellency Chiang made up his mind to perform one lesson each day, and that was writing the character 'shame' to indicate his determination to rid the country of its humiliation. By the time victory in the war of resistance against Japan was secured, this lesson should ordinarily have been brought to an end, but His Excellency Chiang somehow wrote in his diary 'as the old humiliation is just eliminated, a new humiliation has occurred,' and the new humiliation was meant to point at the Yalta secret agreement; hence he continue to write [the character 'shame' each day]."

On this matter, it has been said that "none of the Chinese or foreign scholars attending the symposium failed to be deeply impressed." This, in fact, also enlightened me. I think this "self-reflection" on Chiang Kai-shek's part will be greatly beneficial to our exploration of the reunification problem by relating history to current realities.

1. The repeated cases of "national humiliation" resulting in loss of sovereign rights and abuse of the country because of foreign aggression and oppression have been the great obstacle in China's modern historical progress. They have seriously hampered and sabotaged China's unity.

Mr Sun Chung-shan hit the nail on the head when he pointed out: "What havoc have the Chinese people suffered? Where did these phenomena of havoc we suffered come from? They came from the powers" ("Selected Works of Sun Chung-shan," p 638).

2. In those days, Chiang Kai-shek in his self-reflection used "old humiliation" and "new humiliation" to generalize two historical stages. The former stage included the period before the war of resistance against Japan, and the culprit that committed aggression against our country was Japan. The latter stage included the period on the eve of World War II, the havoc came from the "Yalta secret agreement" signed by the Soviet Union, the United States and Britain, and the culprit that committed aggression against our country was the Soviet Union.

Very conspicuously, in both the former and the latter cases China suffered great havoc and China also failed to achieve unity. That is to say, in the 70 years since the 1911 Revolution, China has in no way realized its unity.

3. For this reason, two views about the reunification problem merit our examination. One blames Chiang Kai-shek and the KMT by alleging that they did not do their best to unify China in those days. This is an excessive demand and it also underestimates the seriousness of the threat by foreign forces of aggression. The other suggests that in leading the Northern Expedition to achieve victory in war, Chiang Kai-shek "unified China." Or it is said that after winning victory in the war of resistance [against Japan], China became one of "the Big Five." This is an unsubstantiated view as it serves precisely to overlook the "old humiliation" and the "new humiliation" on which Chiang Kai-shek so painfully reflected.

4. We should acknowledge: because of complicated international and domestic factors the KMT was unable to expel the foreign forces of aggression and hence failed to realize the grand unification of the whole country.

5. In 1949, the CCP seized power on the mainland; this was a historic turning point. At that time, the Soviet forces of aggression were entrenched in China; they put on an attitude of support for the CCP in an attempt to secure complete control over China. From this, two available choices were solemnly laid before the CCP: one was to become subordinate to the Soviet Union; in which case China was bound to fall into the same miserable state in which the countries of Eastern Europe, Outer Mongolia, and presentday Vietnam find themselves, and the nation's fate would be unthinkable. The other was to resist the Soviet Union. Luckily, the CCP made the latter choice. Before the 1960's, the mainland under CCP rule was to a large extent controlled and manipulated by the Soviet Union; the destiny of the whole nation was severely threatened. Only after the split between the CCP and the CPDU was the People's Republic of China able to stand erect, resolutely resist Soviet pressures, eliminate Soviet privileges in the Northeast, resist the claws of the Soviet Union which were poised to penetrate Xinjiang and Inner Mongolia, and beat back the armed invasion glaringly carried out by the Soviet troops. Only thus could the mainland itself be said to have basically gotten rid of the "new humiliation." Only thus was the vast territory of the Chinese mainland unified entirely by the strength of the Chinese themselves.

6. KMT friends have never become resigned to the KMT's defeat on the mainland. But there is at least one point on which they must reflect a little: when Chiang Kai-shek suggested at the time that a "new humiliation has again occurred," it was no other than the Soviet forces of aggression that were being extended into China. If pursuant to 1949 the KMT had remained in power on the mainland, on what conditions, we might ask, could it have relied in excluding Soviet aggression?

I must repeat the following view: as regards the territories and privileges occupied and usurped by the Soviet Union after World War II, such as the four islands occupied in the north of Japan, the three Baltic states annexed, and the countries controlled in Eastern Europe, from where, with the exception of Yugoslavia, has the Soviet Union withdrawn its hands? Would the Soviet Union have lightly regurgitated what it obtained in China? Unfortunately, the Soviet Union ran into the transformation of Communist China into the second Yugoslavia; like a mute swallowing the rhizome of Chinese gold thread, it could hardly do anything. If the opponent had been the KMT, the situation would have been utterly different. The fact that the Soviet Red Army stopped the KMT troops from taking over the Northeast at the time was a conspicuous example. It is entirely conceivable that the Soviet Union would have necessarily inclined to expand its aggression in China still further. Even if the United States should have provided soldiers to help the KMT to fight a war, the result might well have turned out to be an advance staging in China of the Vietnamese situation. Then the situation in which China finds itself today would have been far worse, and the threat of Soviet hegemonism which the world faces would also have been more serious.

Therefore, viewed from the standpoint of the whole nation's interests and from the tortuous development of the overall international situation, how can we tell that the defeat of the KMT on the mainland was not a blessing? I only wish that my KMT friends would no longer harbor chagrin.

7. After the KMT retreated to Taiwan, it signed a "Mutual Defense Treaty" with the United States, stood its ground by relying on the support of the United States, and thereby entered into a situation of confrontation vis-a-vis the mainland: this fact has been self-evident. But we must also see that the KMT authorities in Taiwan have never succumbed to the whims of the United States; they have, from Chiang Kai-shek to Mr Chiang Ching-kuo, always maintained a definite independent spirit. Tsowan insists that it is part of the motherland's territory and it insists on the grand reunification of the motherland: this serves forcefully to prevent all plots and activities bent on creating a split. Taiwan has devoted itself to economic construction and has scored considerable successes; the livelihood of its people has been greatly improved. Evidently, from the standpoint of the whole nation, an unprecedentedly good situation has emerged in Taiwan through diligent management and construction by the Chinese themselves.

Particularly after the United States severed relations with the "National Government," terminated the treaty, and withdrew its troops, the objective situation prompted Taiwan still further to develop toward independence. Today there is no longer any basis for pointing an accusing finger at the "National Government" as if it were a puppet of American imperialism, no longer any basis for alleging that "the Taiwan KMT reactionaries are the running dogs of America." This is even more beneficial for Taiwan to stand magnificently erect as sacred Chinese territory.

8. In summary, whether in the case of the mainland or in the case of Taiwan, both sides have themselves eliminated the control and manipulation by foreign forces and both sides have independently realized their respective unity. This is an unprecedented situation during the 70 years since the 1911 Revolution.

If we take the standpoint of the whole nation and do not calculate minutely about the interests and gains of one party or one faction, then we should feel quite

comforted and happy: the Chinese have ridden themselves of both their "old humiliation" and their "new humiliation."

At present, there is no longer any internally stationed foreign force strong enough to sabotage our unity or prevent our reunification. We Chinese can solve our own internal affairs entirely independently.

In particular, the Soviet hegemonists have deployed 1 million soldiers along our border areas; they are still not giving up their attempt to subjugate us. This constitutes a serious threat to our entire nation, and this should further prompt us to strengthen our national unity and realize the reunification of our entire country in order to cope with the external foe in a common effort.

"Two High Levels" and "Four Modernizations" To Promote Reunification

How should we proceed to realize the grand reunification of the motherland? This is the focus of our present problem. And the dominant side in solving this problem undoubtedly lies with the CCP.

In April this year, I talked about certain views concerning the reunification problem in an interview with the DONGXIANG [ORIENTATION] magazine, singling out especially emphatically that I would suggest that the CCP have either the "National People's Congress" or the "Standing Committee of the National People's Congress" formulate a "Peaceful Reunification Act." Friends in the interior have written to tell me that on 21 April the XINHUA NEWS AGENCY's CANKAO ZILIAO [REFERENCE DATA] transcribed the whole text of my talk. According to my friends, such a transcription was made possible only after approval was given by responsible persons of the highest level; this shows how much importance the CCP highest level attaches to overseas proposals on peaceful reunification.

In early June, I returned to the interior to carry out trade negotiations and stayed in Beijing for more than a month just around the time of the "Sixth Plenary Session" of the 11th CCP Central Committee. As a matter of convenience, I exchanged views with concerned personalities and friends relating to the reunification problem. My main point was that the CCP must first of all manage its own affairs well and must not be too eager to score successes over reunification in the manner of a "one-sided match."

We emphatically discussed the following questions: the factual and rational basis for peaceful reunification, the fixed principle for peaceful reunification, the formulation of a peaceful reunification act and the correct path for peaceful reunification.

With the correct path for peaceful reunification as a center, I hereby explain the other few questions as a whole.

The "Resolution Concerning Certain Questions in the History of Our Party Since the Founding of Our state" passed by the Sixth Plenary Session of the 11th CCP Central Committee is an extremely important document relating to the political situation in China. In this document there is the following passage:

"The objective of our party's struggle in the new historical period is to turn China step by step into a powerful socialist country with modern agriculture, industry, national defense and science and technology and with a high level of democracy and culture. We must also accomplish the great cause of reunification of the country by getting Taiwan to return to the embrace of the motherland."

I have reduced the goals and the entailed laws of practice as stated in this document to a single statement--"two high levels" and "four modernizations: to promote reunification. I think this is precisely the correct path for reunification.

The order of practice is: first of all, the "two high levels" must be achieved, that is, the high level of democracy and the high level of culture, which are generally termed "spiritual civilization." High of course means a high level and a full degree. Compared to the Taiwan side, it means that the democracy and culture must be higher than those of Taiwan and hence in possession of a predominant superiority. Its relationship to reunification is that the high level of democracy and culture is the "premise of first importance" upon which reunification is to be attained. It would be only because the mainland achieved a high level of democracy, that is, becomes more democratic than Taiwan, that it could thus command a sufficient political appeal in Taiwan and let the people of Taiwan aspire to the democratic life on the mainland. But let us ask: What is the situation today? Today Taiwan vociferously cries out "in politics learn from Taipei!" This at least indicates that democracy on the mainland still cannot appeal to Taiwan, or even looks inadequate in comparison. This requires that the mainland side first of all strengthen its democracy, expand its democracy in the hope of attaining a high level of democracy, for otherwise it would be politically feeble and powerless in respect to reunification.

Again, the so-called "high level of culture" is rather broad in its connotation, insofar as reunification is concerned, it means emphasizing the way of the true sovereign and discarding the way of hegemony, "persuading others by virtue" and not "subjugating others by force." One should resort to reason and not rely on violence. This requires implementation of the principle of peaceful reunification. In talking about "the factual and rational basis for peaceful reunification," I pointed out why, in implementing peaceful reunification, one should make it theoretically clear and not allow any ambiguity. First of all, one must base oneself on the people's demand for peaceful life and peaceful construction. The two sides have no reason whatsoever to drag the people once again into an internecine civil war. Next, one must understand clearly that after a tortuous evolution, particularly since the "establishment of Sino-American diplomatic relations," the contradictions between the mainland and Taiwan have been undergoing a transformation. One should see that national contradictions have already been disappearing (that is, the so-called "irreconcilability between the Hans and the traitors" is disappearing). From the nation as a whole, the so-called "class contradictions" also no longer exist (the overwhelming majority in Taiwan consists of toiling people). The focus of present contradictions is the contradiction between the "isms" and "political lines" of the KMT and the CCP, and its core is a contradiction between "ruling authorities." What the KMT demands is "let our party run the country"; they propose "to unify China by the Three People's Principles," but in substance they are demanding to rebuild the KMT's dictatorial rule throughout the country, which is not something the people of the mainland can ever allow. And on the side of the CCP, "Let our party dictate" is even more conspicuous; this has already resulted in a catastrophe on the mainland. Would the people of Taiwan welcome this stuff?

Therefore, if the two parties should resort to arms because of their contest, the people would never let that happen. Consequently, whether it is the Communist Party or the Nationalist Party, one should genuinely respect the people's will and uphold democracy, taking democracy as the goal and embarking upon a peaceful competition in politics. Thus, on the basis of the principle of the "two high levels," peaceful reunification should become a fixed and unshakable principle (unless other incidents should intervene). One should take peace as the concrete practice of aiming at the "two high levels." One should take peace as the principle of reunification and not play the double approach of either peace or non-peace.

It is by no means preferable to base oneself on a "readiness to fight." Therefore, I suggested that the "National People's Congress" formulate a "Peaceful Reunification Act" and make it the norm to be observed by the whole country in the long run, and not a temporary expediency, so as to demonstrate credibility to the world and win Taiwan's confidence.

A friend at the highest level told me: the "Message to Compatriots in Taiwan" issued by the Standing Committee of the "National People's Congress" has already declared clearly our policy; we must resolutely carry it out. I replied: "You issued 'A Declaration On How We must Liberate Taiwan' earlier; let me ask how are you going to explain that?"

In sum, I hope the CCP will base itself on the solemn spirit of the "Resolution" on historical questions and genuinely understand and attach importance to the great significance of the "two high levels" both in ideology and in theory, and it must unite theory with practice and adopt practical steps and actions. If on the one hand it orally cries about "a high level of democracy, a high level of culture" but on the other hand remains in thinking and in behavior committed to the assertions "our party rules supreme," "I am the No 1 authority under heaven," resorts to crudeness and ignores courtesy, and thinks that "only what I say counts" in everything, then what is left is no more than a repetition of "great empty talk. This would not only be of no help to reunification but would even aggravate its own division.

Next, let me talk about the "four modernizations", these are the material foundation facilitating reunification. As everyone knows, the production level and the people's living standards on the mainland are both below those of Taiwan today. If one merely shouts about "the superiority of socialism" but cannot show others any actual results, one can hardly offer any persuasion to Taiwan and one would also lack promotive power. Hence the CCP must energetically work on its "four modernizations"; as long as the "four modernizations fall short," any arbitrary attempt at reunification would find an equal shortage of support. As the "four modernizations" develop gradually, reunification will become a reality as a matter of course. Hence, it is necessary to promote reunification with the "four modernizations." If the "four modernizations" make rapid progress, it is possible that "reunification" will also come about quickly; if the "four modernizations" trudge along at a slow pace, "reunification" will also take its time in arriving.

"Realizing the grand reunification of the motherland" is the goal pursued by the KMT and the CCP alike; the discrepancy exists only in how to achieve reunification. I think the principle of letting "the 'two high levels' and 'four modernizations' promote reunification" should also be acceptable to Taiwan.

Then, the KMT and the CCP might as well take "a high level of democracy," "a high level of culture," and devotion to the "four modernizations" as their common goals and launch their peaceful competition pertaining thereto accordingly.

Along this path, they may well lay a firm foundation for the peaceful reunification of the motherland and let the radiant situation of the grand reunification of a rational, democratic, harmonious, civilized, and prosperous nation as a whole appear on the sacred land.

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LESSONS TO BE DRAWN FROM POLAND'S SOLIDARITY UNION STUDIED

Hong Kong CHENG MING [CONTENDING] in Chinese No 10, 1 Oct 81 pp 26-29

[Article by Shen He [3947 0735]: "The Solidarity Union of Poland and China"]

[Text] Whether in the East or the West, whether in communist countries or non-communist countries, the whole world watched and showed concern for the initial session of the first national congress which the Polish Solidarity Union held early last September. This new development in Poland, with the emergence of the Solidarity Union since last year, will have a very significant impact on the international communist movement.

A Sensitive Issue

First, let us see how Chinese and foreign news media reported on the same event.

On 20 July, Vice Chairman Li Xiannian of the CCP Central Committee met with the president of the European Parliament, Mme Simone Veil, and talked about many problems, one of which was the Polish issue.

Regarding this event, NCNA reported: "On the Polish issue, Li Xiannian said: 'Our consistent stand is that the problems of Poland should be solved by the Polish people themselves; other countries have no right to intervene.'" This was, of course, meant for the Soviet Union.

However, foreign news agencies had other things in their reports, such as REUTER: "The president of the European Parliament, Mme Veil, told reporters that a Chinese leader indicated today that if Beijing could not carry out the present economic reform, China would also face a crisis similar to that of Poland. She made this statement after she had held a conversation with Vice Chairman Li Xiannian of the CCP Central Committee. She said that Li Xiannian compared the conditions of China with those of Poland. She quoted Li's words that if China, like Poland, fell very deeply into debt and could not carry out the present plan of retrenchment, that is the current 'economic adjustment,' China would run the same risk of difficulty. She also said that Li told her that if Kania was reelected the first secretary of the Polish communist party and failed to change the situation, he should maintain sharp vigilance against the extremely dangerous and unstable situation of Poland."

It seems that foreign reporters paid greater attention to the statement of Li Xiannian in making a comparison between China and Poland. Perhaps it was a rather irritating sensitive issue which NCNA was instructed to delete from its report.

In fact, as early as last year, after what happened in Poland, the Chinese communist leaders repeatedly warned that a lesson should be learned from Poland about achieving democracy and readjusting the economy, and they were still saying this recently. This is an open secret. Such a warning is not alarmist talk. It shows the attitude of clear-headed politicians who have a sense of responsibility for China's destiny. The question is whether it is followed by real action.

The First Cry

Indeed, the impact of the birth and activities of the Polish Solidarity Union during the past year is very unusual. Day after day it has attracted the close attention of the whole world, especially in the communist countries. After a wave of 2-month-long nationwide strikes, on 31 August last year the Polish Government and the integrated strike committees signed the Gdansk agreement on the establishment of the independent Solidarity Union. This labor union organization, which emerged in a communist country but is independent and not under the control of the communist party, has from the beginning astonished the whole world with its unique standing.

The Solidarity Union has been established for just 1 year. The poster of the union's first national congress depicts itself as a child wearing a T-shirt with the emblem of the union, holding a long walking stick and haltingly learning to walk. As a matter of fact, during this short period of 1 year, there were many unexpected changes, some of which were simply stunning. In a communist country under the dictatorship of a single party, such things were simply "unprecedented" and "heretical" acts of rebellion.

The Solidarity Union has a trump card in its hand, that is, its close integration with the broad masses. The union made full use of the general dissatisfaction with Poland's serious political and economic situation, and played this trump card with its role in the strikes as the weapon. By calling strikes in various ways, local and nationwide, for short or long periods, the union forced the Polish Government and the Polish communist party to make concessions and compromises one by one during the year.

The impact of the existence and activities of the Solidarity Union compelled the Polish Government and the Polish communist party to make many changes. The former leading clique under Gierek [of the Polish United Workers' Party] collapsed and was expelled from the party. The leading groups of the Polish party Political Bureau and Central Committee and the Polish Government carried out major reshuffles. Some changes began to take place in the political and economic situation of Poland. The Sixth Plenary Session of the Polish communist party Eighth Central Committee approved a line of socialist reform and consultation, and laid down programs and plans for economic reforms and the development of democracy. In July, the Polish communist party ninth national congress further confirmed and fixed this line. The party ninth national congress itself was held in a new style, unprecedented in the history of the communist world, such as voting by secret ballot, having more candidates than vacancies, questioning the candidates, limiting the number of years for the tenure of office, and so forth. With the support and assistance of the Solidarity Labor Union, other solidarity unions of farmers and students were established. Polish social democracy also made some progress.

In 1 year the Solidarity Union has boosted its membership to 10 million. Though it is only a labor organization, its membership is three times that of the Polish communist party. The numerical difference is very great. Moreover, the union advocates patriotism and has forged a close tie with the Catholic Church; thus, with a combination of "the labor union, the nation and God," the Solidarity Union is growing stronger day by day. It has evolved from a loose organization of workers to a political force which can challenge the Polish Government and the Polish communist party. What it has said and done far exceeds the scope of a labor union and penetrates into all fields of Poland's economy, politics, culture and living. Western reporters gave the following instance as an example: On the beach near Gdansk, due to the pollution of sea water, the government erected a signboard warning bathers not to swim there. Alongside there was another signboard with the same warning which was erected by the Solidarity Union. This example illustrates vividly that the Solidarity Union takes care of everything, and that the people trust the union but not the government. Western reporters said, not without a sigh: "The Solidarity Union talks about everything, even the safety of the beaches."

The "1-year-old" baby is making its first cry, but its cry is so loud that it greatly disturbs the leadership of Poland and also alerts the neighbors.

Of course, the people are even more deeply concerned about the various expressions of the first session of the Solidarity First National Congress held recently, because their aspirations and demands were so extraordinary that Solidarity has gone beyond the scope of a labor organization, even for an independent labor union.

Higher Aspirations

On 5 September, 892 delegates representing 10 million members came to the Olivia Stadium in the "solidarity city," Gdansk, the birthplace of the Solidarity Union, and held the Solidarity First National Congress. About 40 percent of the delegates were not yet 29 years old; they were the young people born in Poland after the war. The leader of Solidarity, Walesa, is also only 38; he was born in the year of the establishment of the Polish people's regime. Not long ago the Polish communist party held its ninth national congress; only 2 percent of the delegates were under 29 years of age. What a glaring contrast! Another clear and interesting contrast is that the Solidarity delegates wore everyday clothes, but most delegates at the ninth party congress were in formal suits and wearing neckties.

The decoration of the Gdansk meeting once again manifested the integration of the labor union, the nation and God. The meeting place was adorned with the Polish national flag, the national emblem and a huge cross. Before the meeting began, a mass was celebrated. During the period of the congress, they sang the Polish national anthem. The leaders of Solidarity cleverly combined patriotism, religion and their struggle for freedom and democracy. It shows that they understand the people and have the mass viewpoint. They are very tactful.

The National Consultative Committee of the Solidarity Union delivered a work report to the congress, presented its analysis of the Polish social, economic and political situation since August last year, and explained the great difficulties in general. On the economic situation, the report said: "It appears that the government is not competent, and Solidarity must undertake economic reforms by itself."

The session was filled with heated arguments. It was said that the meetings, which dispersed very late every day, lasted for 6 days, which was longer than their original schedule, and closed on 10 September.

At the congress, the following resolutions and propositions were passed: On the workers' right to make decisions and handle the means of production, they rejected the government's proposal that while the workers have the right of decisionmaking, the factory managers should be appointed by the central or local governments with the approval of the factory worker committees. Solidarity is opposed to such appointments from above. Solidarity's resolution demands that the parliament hold a referendum on the workers' right of decisionmaking. If the parliament refuses to do so or passes any legislation not in conformity with the workers' will, then the labor union will "take action" by itself.

In cooperation with the Solidarity Peasant Union, the labor union will exercise supervision over the production, distribution and pricing of foods in order to improve the supply of food.

It demands that the parliament and the local people's congresses carry out free democratic election.

It demands that the society exercise supervision over the tools and media of public opinion.

It demands that all the people of Poland have freedom to emigrate for reasons of work and politics. The Polish people can freely choose their country of work and country of residence.

And so forth and so on.

The Solidarity Union ignored entirely the threat of invasion and the joint military exercise of all armed services held on an unprecedented scale during the period of the congress by 100,000 Soviet troops along the Baltic coast, and sent its greetings to and communicated with the people of the free trade unions in the East European bloc, with the hope that these countries would also establish solidarity unions like Poland.

The Solidarity Union made the following statement in its final document: "We want a life without poverty, exploitation or fear; we want a society to be organized democratically and administered by ourselves." No wonder critics in the West said: "It reads like the declaration of human rights of the East European people."

The Solidarity First National Congress expressed its stand as follows: "In Poland a revolution is in progress, and its main force is the Solidarity Union." "We are living in momentous times when the fate of the nation is being decided; a new Poland is being established along the Wista River, and we are no longer a labor union but a social movement."

At the congress, some people went even further. For instance, some people suggested ways to systematize the role of Solidarity, and asked for a still greater share and power in the administration of the country. Others suggested the abolition of

the original appendix to the Solidarity constitution on such principles as those stipulating the "leading role" of the Polish communist party, because "it would be somewhat ridiculous to retain such stipulations when we are against most of the views of the Polish communist party." However, these suggestions did not receive sufficient support, and were not even put up for discussion.

Nevertheless, what should be mentioned is that at this first national congress, both the work report and the speeches of many leaders laid further stress on the spirit of carrying on dialogue, consultation and negotiation with the Polish Government and the Polish communist party to solve problems and end their conflict. They argued that it was not a time of controversy nor a time of antagonism, that they should believe in reasoning and not in conflict, and should not seek political power but rather serve the society. Lech Walesa, Solidarity's leader, also said emphatically that they did not want political power and worked only as a trade union. He pledged not to return to capitalism or adopt any other system of society but the one which could meet the needs of the Polish people. He also said earnestly that the other side was strong and powerful, indicating that the Polish Government and the Polish communist party had in their hands the army and the police.

Since last year, those in the East and the West who have commented on the Polish situation have often expressed their sorrow that Solidarity has overused the strike as a weapon, because this would lead the Polish economy, which was facing an impasse, to become even worse and make recovery difficult. Strikes slowed down communication and traffic, reduced exports, cut production, and lowered productivity. The critics believed that it was time for the Polish workers to sit down and work hard in order to relieve their economic difficulties. On this point, Solidarity has its own views. It said that of course the Polish people know it is very important to work right now, but "the whole question depends on the workers seeing what are the meaning and results of their work before they can make their sacrifice, exert their efforts, and accept the rising price of goods." At present there is a shortage of food, the workers are concerned about food, and "food means politics." They know that now they don't want to be agitators of the masses, but they want to be the leader and architect of economic recovery. The second session of the Solidarity First National Congress will take place at the end of September, when plans for economic reform will be presented. They understand very well that without the improvement of the Polish economy, it will be difficult for any political achievements to be made.

A Serious Challenge

What Solidarity has gone through this past year, its daily rising status, role and prestige, and its continuously increasing demands have embarrassed the Polish Government and the Polish communist party, which have been compelled to make continuous concessions and retreat step by step. Moreover, having made no improvement in the national economy, the Polish Government has failed to regain the people's confidence and therefore remains in a fairly passive position. Against the overbearing resolutions passed by the Solidarity National Congress, the government finds it difficult to hold its own. On the other hand, the union has made the Soviet Union and the Eastern European bloc, especially the Soviet leadership, feel nervous, uneasy, frustrated and very angry.

The Soviet bloc is worried by the following:

1. Poland is no longer a country under its command and control. Even under the pressure of the Soviet Union, the Polish Government and the Polish communist party must first take their own immediate interests into consideration. Despite how much the Soviet Union is dissatisfied with the concessions made by the Polish Government and the Polish communist party, the cry that the Polish people should solve their own problems is a just voice not only of the Polish people but also of the whole world. In the past year, Solidarity has avoided any direct encounter with the Soviet Union, and step by step has won political and economic reforms in Poland only by quietly relying on the patriotic sentiments of the Polish masses. Watching anxiously and helplessly what was going on in Poland last year, the Soviet Union was rebuffed but could not intervene, was condemned but could not take action, and was unable to play the same old trick it played before in Prague and Kabul. This great hegemonist power has become so "weak." It is too painful to watch the scene in Poland, which makes it gnash its teeth in hatred.
2. There is fear of a "domino" chain reaction. The Soviet Union has long been worried about the impact Solidarity might have as an example on the East European satellite countries; therefore, it has always suppressed such activities in these countries. Now, the Solidarity First National Congress has gone so far as to tell these countries to follow suit and set up independent trade unions. It is not only an open challenge but also an outrageous rebellion.
3. The establishment and existence of the Solidarity Union signifies an all-out challenge to the legitimacy of Marxism-Leninism. This is most provocative. On this point, China's feeling probably will not be much different from that of the Soviet bloc, although there is a great difference between them in the interpretation of orthodox Marxism-Leninism and revisionism.

Just think. How can a country under the leadership of a communist party tolerate a political force which says "no" to the communist party and dares to contend with it? In Eastern Europe and China, truly there are some small parties or some democratic parties, but they are only a token of democracy. It is entirely unthinkable that they could "hold power by turns"; even "sitting as equals at the same table" is considered as "going beyond the rules." But now, the Solidarity Union has gone so far as to consider itself the leading force of revolution, takes no notice of the Polish communist party, considers itself as the representative of social reform, and assumes the attitude that the union is the only one "to take over everything." Can this be found in any chapter or paragraph of the orthodox text of Marxism-Leninism? The dictatorship of the proletariat, the leadership of the communist party and the system of socialism--all these are the highest principles which cannot be violated in the slightest degree. How can it be that the government and the party cannot appoint factory managers, cannot lead political, social and economic reforms, and cannot control the tools of public opinion? It is absurd that Solidarity as a trade union has pronounced its independence and refuses to take orders from the communist party. It is becoming more aggressive and coveting social administration, free elections, democratic public opinion and the reform of the existing system. Is it going too far? Moreover, the tendency is not suppressed and is going further and further. Is it really to seize power?

It should be said that the final point is what the Soviet Union and the Eastern European bloc find most difficult to tolerate. In fact, not only the revisionist Soviet Union, but also those who always strongly advocate revolution or all political parties and individuals in the world who believe in orthodox Marxism-Leninism hate to see it and can never come round to the idea.

How much further will the Solidarity Union go? What difficulties and danger will it encounter ahead? It is still difficult to say clearly now. But in any case, the union will certainly go ahead along a road of stubborn and intractable resistance. As foreign critics have said: "The greatest success of Solidarity is that it got organized under a totalitarian regime, survived and is not dominated by this regime." At the inauguration of the Gdansk congress, Walesa also said: "Finally they need to understand that whether they like it or not, our Solidarity is an accomplished fact, and it will continue to survive."

Therefore, this event is of very great significance in itself and cannot be over-estimated.

In the face of this rebellious monster, and particularly in the face of various approaches and stands taken by the Solidarity First National Congress, it is not surprising that the Polish Government and the Polish communist party, as well as the Soviet Union and the East European countries, flew into a rage and condemned the union both in speech and in writing. The glint and flash of cold steel could be seen, though dimly. What will be the future? Will a bloody tragedy recur as before? It depends on many factors, domestic and foreign, and on the Polish communist party and the Soviet Union. It also depends on Solidarity itself with regard to its strategy, tactics and ability. The situation is undoubtedly serious because of the very acute contradictions; however, the communist world has changed after all, as the traditions of communism are being challenged in an all-round way. This is a reality which everybody must recognize and face up to in the future.

A Profound Lesson

How is China facing this stormy and unstable situation in Poland? We should say that the attitude of the Chinese Communist Party is very complicated and very awkward. Or, should we say, very subtle and very contradictory.

From the time of the Polish workers' strike movement to the establishment of the Solidarity Union, China adopted an attitude of showing sympathy and giving support to the workers. Naturally, we cannot say that China watched the rising of the Gdansk activists with the attitude of taking pleasure in another's misfortune; however, China was not unhappy to see the emergence of Poland as a force in opposition to the Soviet hegemony. China persistently called attention to and condemned the Soviet Union for threatening to intervene in Poland's internal affairs, and sincerely wished that the Polish people could solve their internal difficulties and contradictions by themselves through consultation and negotiation.

China to some extent recognized Poland's political, economic and social crisis which led to the emergence of the Solidarity Union, and therefore considered the appearance of the union as understandable. It also assumed a positive attitude toward the Polish Government and the Polish communist party in making concessions and taking the line of reformation and consultation. In spite of the fact that

China refuses to call the party of Poland the Polish communist party, but calls it the Polish party, or uses its full name--the Polish United Workers' Party--at the most to show some difference, it after all assumes an attitude of approval in looking upon the changes in the Polish communist party last year. During the period of the ninth national congress of the Polish communist party last July, China published reports and comments on the congress every day. The attitude of the Chinese Communist Party is very clear: it wishes that under the leadership of the Polish communist party and the Polish Government, and under the socialist system, reforms will be carried out, the crisis will be overcome, democracy will be advanced, and the national economy will be improved. It believes that this is the track to travel on.

From the emergence of Solidarity and from the popular trend and changing situation in Poland, truly the Chinese communists have also realized soberly that it is necessary to draw a lesson from the Polish events and to do a good job of democracy and the national economy. We have heard about this Chinese attitude since August last year.

China's attitude toward the European communist movement, its close contact with the Italian Communist Party and the Spanish Communist Party and its evaluation and affirmation of their activities, show that China is truly sincere in its sympathy with and support for the Polish Solidarity.

However, we should also say that China's sympathy and support are by no means absolute and consistent. Especially recently China has been surprised and embarrassed by Solidarity's actions. We can find evidence of this from China's reports on the Solidarity First National Congress. They are different from reports on the "Polish Party's Ninth National Congress." Only after the conclusion of the Solidarity congress did China make a summary report with comments containing both favorable and unfavorable remarks. It was so apparent. The final part of this report even "objectively" transmits commentaries and attacks on Solidarity by the Polish vice premier, the Polish communist paper TRIBUNA LUDU and the Polish communist party's warsaw provincial committee.

The difference in China's attitude at first and later on can be understood completely. In dealing with any problem, China always stresses the principle of "upholding the four things," that is, upholding the party's leadership, the dictatorship of the proletariat, the road of socialism and Marxism-Leninism and Mao Zedong Thought, before talking about reform, or talking about anything. Any weakening or violation of these four principles are difficult to tolerate and cannot be permitted. From this, we can understand China's attitude toward Solidarity. If the Polish trade union can give counsel and make efforts in such fields as improving the leadership of the Polish communist party, promoting democracy within the party and in society, and improving the Polish political and economic systems, China can still show sympathy with the union even though it is an independent trade union. However, should Solidarity go beyond these limits, consider itself the leader and main force of revolution, pit itself against the Polish Government and the Polish communist party, and even try to seize power and take their place, then China will find it hard to agree.

China has said repeatedly that it is necessary to draw a lesson from the Polish events and to heighten vigilance. It is not entirely worrying about the emergence of an independent trade union such as Solidarity in China. Maybe some people in China do have this idea, but in my view, the number is small, or very small, and the great majority of people have no such thoughts. I believe deeply that the Chinese people are very good people who love their fatherland warmly. They have high aspirations, understand and show concern for the whole situation, have a great capacity of endurance and, moreover, are simple and unaffected. These qualities are truly admirable. Though sometimes they also appear so pitiful and meek, after all it is China's national state, the result of Chinese tradition, culture and education for thousands of years. Not until they are really driven to the wall will the Chinese people go to extremes. I don't know what other people think when they read the "Sui Xiang Lu" [Random Notes] written by Ba Jin [1572-1655], but when I read his analysis of his own thoughts and mental attitude during the "Cultural Revolution," all sorts of feelings welled up in my mind. Should our millions of people share some of the responsibilities for this 10-year catastrophe? How much responsibility should we take? If we were more courageous, if we were stronger, if we were..., our country and our people might suffer less! However, we are after all Chinese people!

Therefore, I have the feeling that the Chinese leaders should recognize the good qualities and greatness of our Chinese people, make their best efforts, lead and educate the cadres properly, unite themselves with all the people, and rebuild China properly. Recently the forum on the ideological front has again laid down the rule to continue "to uphold the four things." Criticizing "liberalization" or overcoming the lack of discipline and strength means simply that it is not allowed to speak ill of the Chinese Communist Party or smear socialism. However, we cannot solve all problems by relying on criticism, propaganda and meetings; facts are forever the best teaching material for the education of the people. In the face of strong and encouraging facts, any crisis in belief, in faith and in trust will be resolved fundamentally.

What merits our attention is that the Chinese communist leaders have said repeatedly that it is necessary to draw a serious lesson from the Polish events. This lesson may be summarized simply in two points: 1) to do a good job of democracy, and 2) to do a good job of the economy. The key to achieving these two things lies in improving the party's leadership. If the Chinese communist leaders can truly learn this lesson, seriously rectify the style of work within the party, and determine to do a good job of democracy and the economy, then through their steadfast action they will certainly unite themselves with the people of the whole country, enhance the people's faith and trust, and together, with one heart and one mind, make joint efforts to "turn China step by step into a modern and powerful socialist country with a high degree of democracy and civilization."

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